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OUR REPORTER'S REPORT

The market for defaulted railroad bonds has blown alternately hot and cold with the approach and passing of each Monday and the absence of a Supreme Court decision on the pleas of the Chicago, Milwaukee, St. Paul & Pacific RR. Co. and a somewhat similar case of the Chicago & North Western Ry.

Both roads are seeking modification of reorganization plans drawn up by the Interstate Commerce Commission under which their stocks are accorded no value.

The High Court accepted the St. Paul case for review early last June, while the North Western's plea for review was put before the court in May.

Bond men consider that a ruling in either instance would settle pretty definitely the procedure to be followed in setting up revision plans for other defaulted carriers.

In the case of St. Paul, the Circuit Court at Chicago ordered the case turned back to the Commission on the ground that the latter's findings were not sufficiently specific to permit the court to pass upon the reasonableness of allocation of new securities involved.

The North Western seeks to use its cash, of some $60,000,000, to pay off its Reconstruction Finance Corp. indebtedness of some $48,000,000, instead of, as provided in the Commission's reorganization plan, allotting the

(Continued on page 911)

Program To Salvage Fiscal And Monetary Solvency

In an enlightening article appearing in the "Chronicle" of March 4, bearing the above caption, Dr. Walter E. Spahr, Professor of Economics, New York University, and Executive Secretary of the Economists' National Committee on Monetary Policy, condemned various moves leading us into serious inflation and expressed faith in our ability to carry our post-war national debt without back-breaking taxation or resorting to currency dilution in any form.

In his concluding remarks, Dr. Spahr observed that "the monetization of much of the Federal debt must of necessity continue until the end of the war and perhaps for a time thereafter. There is no wise or defensible tax program which can be devised that can prevent this monetization of a large portion of the national debt, despite the current popularity of that untenable, over-simplied concept of 'the inflation gap' and the related contention that taxes should be made to take all 'this inflation gap.'

"The best that can be done now is to eliminate all unnecessary Government expenses and then consolidate and fund our huge debt into a permanent one at a low rate of interest. With an interest charge of perhaps 4 or 4½ billion dollars per year, and a Federal budget of other items of approximately 7 billion dollars per year, we should be able, as a nation, to recover from our present distressing condition in a reasonably good manner and without a back-breaking tax burden on our people.

"This solution is simple and prudent, and it can be employed if we begin now to make the public aware of it and at the same time warn them against the evil and ruinous alternatives being prepared for them by the currency manipulators — the greenbackers, devaluationists, and every other variety of currency expansionist, dilutionist, 'managers,' and what not."

Recognizing the vital importance of this subject, which will obviously constitute the foremost of our post-war problems, the "Chronicle" invited comments regarding the views and beliefs expressed by Dr. Spahr in his article. A considerable number of letters have already been received but because of space limitations, we give below only those that first came to hand. The others will be published in next Thursday's issue.

GEORGE V. McLAUGHLIN
President, Brooklyn Trust Co.

G. V. McLaughlin

I agree with Dr. Spahr that there should be no dollar devaluation after the war for the purpose of lightening the burden of the public debt. Experience has shown that currency depreciation by any major country merely provokes retaliatory action by others, and in the end no one gains.

I would like to see restoration of convertibility of our currency into gold coin, which, I think, would provide the best insurance against future tinkering, but, I am afraid, this will not take place. We are in an era

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N.Y. Security Dealers Association Urges Ceiling On Dealer Profits

Acting on the recommendations of a special committee consisting of Frank Dunne (Dunne & Co.), Meyer Willett (Bristol & Willett) and Tracy R. Engel (Engel, Abbott & Co.) appointed sometime back by the Board of Governors, the New York Security Dealers Association at a general meeting held on March 2nd, went on record as holding that where dealers purchased securities for their own account they should put a ceiling on the resale price equivalent to 10% of the price paid by them for such securities, with special consideration being accorded in the case of low priced issues. The Association also went on record as advocating that the N.A.S.D. make provision for the wider dissemination of quotations on unlisted securities.

It was agreed that the Association's views should be conveyed to the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., and this has been done.

Schram Says Vitality Of Market Augurs Well But Urges Caution

Emil Schram, President of the New York Stock Exchange, urged last Thursday that those using the Exchange's facilities avail themselves of the factual information available on listed companies, advising investors "not to be intrigued by the fact that particular securities may be selling at very low prices."

In a statement issued in Chicago, Mr. Schram said that those "who are unable to judge intrinsic values, or are unwilling to be guided by these values, should stay out" of the market. He added that the securities "which are cheapest in price may, in reality, be the most expensive, measured by consideration of true worth."

Mr. Schram's statement follows:

"The financial markets are very obviously reflecting the country's satisfaction over our progress and that of our allies in this war. These markets are also reflecting the healthy conditions of the civilian economy and the increasingly bright prospects that, after the war has been won, we are to have a stable order under our traditional system of enterprise and equal opportunity. This system is insuring its survival by miracles of production. It is meeting a su-

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Some Whys and Wherefores Regarding Dealer Profits

There is something worse than "to get something for nothing"—that's "doing something for nothing." Whenever you sell some merchandise, or perform a service, it's not only important that you should make a profit—it's even more important to your client that you should do so. Unless you are paid well it's an odds-on certainty that your interest in your customer's welfare will suffer accordingly. That's just human nature at work.

It does seem strange that so many times during these last few years of securities regulation that so many individuals (both within as well as outside the securities business) have time and again expressed the opinion that profit margins should be made smaller—especially in the over-the-counter securities business. Some of these spokesmen almost inferred that there was something fundamentally wrong about any amount of profit—that profit in itself was wrong—or that the smaller the profit that should be allowed the better it would be for all concerned.

But the over-the-counter securities business, apart from any other segment of the financial industry, is closer to the real fundamental investment technique of the average investing American than is any other part of the securities business. When a man goes out and sells an investor a stock or a bond, on a long-term investment basis, he's doing a much more involved and highly specialized task than just selling an investor a securitiy—and it costs money to do this.

You can't properly supervise an investment portfolio unless you are well paid for it. It takes time to develop accounts. It requires many calls, tactfulness, efforts of persuasion and dissuasion, and there is a limit to the number of accounts that a good salesman can handle. Each account differs from every other account. One account might take weeks and days to sell on the idea of a thorough revision and rehabilitation of his portfolio, where another might take months or years. Both accounts need someone to put them in a condition where the investor that held them would find his position strengthened and improved. But neither account would ever obtain the services of a competent securities man unless he was paid enough to make it worth his while **to do a good job.**

Some years ago there was a salesman who was calling upon a husband and wife who both owned securities in their own right. After repeated calls the salesman made an appointment with the husband, whose account was much the smaller of the two, and for this particular call he prevailed upon his sales manager to go along and help him open up the husband's account. On the way to the investor's home the salesman said to the sales manager something to the effect that he didn't think that on this particular transaction (which was pending) that he should make much profit or possibly not any profit at all. He thought he ought to tell the husband this, and by bringing out the point that he would be giving him "a good break" that he would sooner or later also obtain the wife's business.

The sales manager, wise old bird that he was, immediately turned thumbs down on the proposal. He pointed out that no customer that was worth while having would desire anyone to do business without

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Moersdorf To Become Vilas-Hickey Partner

H. Gerard Moersdorf will be admitted to partnership in Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock and Curb Exchanges, effective today. Mr. Moersdorf will act as alternate on the floor of the Exchange for Aloysius R. Thumser, a partner in Vilas & Hickey.

Laufman With Bankamerica

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — C. Harry Laufman has become associated with Bankamerica Company, 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Laufman was in the securities business under the firm name of Harry C. Laufman & Co. and in the past was with Wulff, Hansen & Co.

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Basically, the reason for the existence of the Investment Banking business is service to the investor and to industry.

The investor needs sound advice based on careful study and vision now, more than ever before. This is truly an opportunity to serve not only the investor but also to again prove the essential usefulness of Investment Banking to the general public and to benefit of both client and dealer.

In line with this thought we are expanding our research department to facilitate the selection and continue study of securities of all types.—*Leston B. Nay, Ryan-Nichols & Company.*

Mills To Be Manager Graham-Parsons Dept.

PHILADELPHIA, PA. — William F. Mills has become associated with Graham, Parsons & Co., 1421 Chestnut Street, members of the New York Stock Exchange, as Manager of the Municipal Bond Department. Mr. Mills was formerly with E. W. & R. C. Miller & Co., as Manager of the Municipal Trading Department and prior thereto was Manager of the Municipal Department for Francis I. du Pont & Co. and E. W. Clark & Co. in Philadelphia.

House Sub-Committee Named To Consider Securities Legislation

The House Interstate and Foreign Commerce Committee has appointed a sub-committee to consider proposed legislation affecting the securities business, activities of the Securities and Exchange Commission and similar matters. The Boren Bill will be referred to this sub-committee.

Members of this important group are:

Clarence F. Lea, California, Chairman; Robert Crosser (D., Ohio); Lyle H. Boren (D. Oklahoma); J. Percy Priest (D., Tennessee); Oren Harris (D., Arkansas); John P. Newsome (D., Alabama); Chas. A. Wolverton (R., New Jersey); B. Carroll Reese (R., Tennessee); Clarence J. Brown (R., Ohio); Leonard W. Hall (R., New York); Thomas D. Winter (R., Kansas).

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J. J. LeDone Co. Opens

Joseph J. LeDone and Sidney I. Davis have formed J. J. LeDone & Co. with offices at 500 Fifth Avenue, New York City, to engage in a securities business. Mr. LeDone in the past was in business as an individual dealer. Mr. Davis was manager of the oil royalty and oil trust shares department of John H. Valentine Co.; in the past he was with Steelman & Birkins.

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Williams-McNaghten, New Minneapolis Firm

MINNEAPOLIS, MINN. — Williams-McNaghten Co. has been formed with offices in the Northwestern Bank Building, to act as investment advisers and dealers and brokers in securities. Members of the firm are Wadsworth A. Williams, president; Robert S. McNaghten, vice-president and treasurer; and Mrs. Kathryn Walker Koch, secretary. All were formerly members of Wells-Dickey Co.

Mr. Williams had been associated with Wells-Dickey Co. for 32 years, having opened the firm's St. Paul office in 1911; he was a vice-president and director of the firm. Mr. McNaghten became associated with Wells-Dickey Co. in 1934, serving continuously since that time in the research department. Mrs. Koch had been coupon teller and cashier for Wells-Dickey for 15 years; prior thereto she was with the Windom National Bank of Windom, Minn.

Uniform Regulation of All Dealers Urged

Joseph D. Goodman, 1500 Walnut Street, Philadelphia, a member of the New York Stock Exchange, in a memorandum to the governors of the Exchange and to the governors of the Association of Stock Exchange Firms, urged support for changes in the securities laws and regulations, it has been announced.

Uniform regulation of every firm in the securities business, whether Exchange members or not, is advocated by Mr. Goodman. Buying and selling of securities should be restricted to those who know what they are doing, Mr. Goodman feels, observing that the average man does not belong in the stock market. The markets have been made very thin and dangerous as a result of Securities and Exchange Commission rules, he believes.

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Col. Pope To Direct Bond Salesmen On Apr. War Financing Drive

Col. Allan M. Pope, President of the First Boston Corporation, has taken a leave of absence from his concern in order to direct the work of a group of bond salesmen who will act as instructors in perfecting the sales organization for the April war financing drive.

Allan M. Pope

This was announced on March 4 by Perry E. Hall, Executive Manager of the New York Victory Fund Committee, which with the War Savings Staff, will undertake the April campaign for the United States Treasury War Finance Committee.

Perry E. Hall

The course of instruction on how to sell Government securities to corporations, banks and individuals will begin on March 15. Mr. Hall, on March 4, said:

"For the banks, securities dealers and others in this district who, were active in the December drive this will mean relief from part of the burden of training special salesmen themselves. Banks and others participating in the April drive will be accorded all the facilities of this instruction division."

Mr. Hall indicated that the chairmen of the 15 regions which comprise the Second (New York) Federal Reserve District had been asked to specify whether they would prefer that instruction meetings be held at the Federal Reserve Bank of New York or at some place in their own regions.

In the New York "Times" of March 5 it was stated:

"It was pointed out yesterday by members of the New York Victory Fund Committee that many of the large sales of Government securities to corporations in the December drive could not be repeated in the drive that starts on April 12, as such investments were made with long accumulated funds. Therefore, it was explained, the April drive would call for a greater degree of salesmanship in order to discover new investment prospects.

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Childs Will Not Quit Race For Comptroller

William T. Childs, partner in Stein Bros. & Boyce, 6 South Calvert Street, Baltimore, Md., in an interview with himself in the "Baltimore Sun" denied all rumors that he intended to withdraw his candidacy for Comptroller of Baltimore. Mr. Childs is running on the Democratic ticket.

William T. Childs

His interview with himself follows:

William T. Childs, when asked today how it feels to be a candidate for the office of City Comptroller, was very optimistic over the outcome.

"One thing is certain," he said, "a candidate finds out how many well-wishing friends he really has."

"That's common to all candidates," opined the interviewer, "but can a candidate hope to win without organization support?"

"The law of averages is against him," Mr. Childs replied, "but some elective offices, such as the judiciary, and, I think, Comptroller, should be above organizations and factions."

"Are you not expecting too much?" was the next question in the quiz.

"Yes, because we are all human," the candidate admitted, "and no," he countered, "because anyone who aspires to fill the shoes of the late R. Walter Graham, who was one of my good friends for over forty years, should be so equipped for the office by long experience that he would have the unqualified support of all political factions, the newspapers and the thousands of city employees and schoolteachers of the Certified Municipal Employees Association, as well as the rank and file of voters, and with the same absence of competition that public opinion accords one who registers for the judiciary.

"Many of my friends believe my long and varied experience with the Baltimore and Ohio Railroad, as a lawyer, as deputy comptroller, headmaster of McDonogh School and investment banker has been such that I would be a worthy successor of Mr. Graham.

"To follow in his footsteps, I respectfully submit, is a laudable ambition. He always conducted his office free from interference.

"Read your political history and you will learn that from the days of I. Freeman Rasin, and through the long reigns of John Mahon and "Frank" Kelly, when George Koenig, George Lewis and Martin Healy were powers and Billy Curran, Gil Daily and Harry Laib were the most promising political tyros, the political bosses always

Continued on page 914

Galvin Manufacturing Stock Offered

Hickey & Co., Inc., Chicago, and Paul H. Davis & Co., Chicago, offered March 10, a block of 40,000 shares of common stock of the Galvin Manufacturing Corp. of Chicago, manufacturers of motorala radios and similar products, at $8.50 per share. None of the proceeds from this offering will accrue to the company, the block having been purchased from an estate.

Prior to the war the company manufactured automobile radios, portable radios, combination radio-phonograph sets, wireless record players and record-making apparatus as well as two-way radio communication systems for police work. In May last year, production of these items for civilian use was stopped and the company is now engaged almost entirely in war work for the Government. Of sales of $30,918,014 last year, $24,106,462 represented Government production.

Net sales of $30,918,014 in 1942 compared with $17,631,500 in 1941. Net earnings, after all charges, taxes and tentative renegotiation in 1942 were $858,456, or $2.38 per common share, as compared with $833,794, or $2.32 per common share in the preceding year. Outstanding capitalization consists solely of 358,875 shares of common stock.

Philip Morris Financing

Lehman Brothers and Glore, Forgan & Co. headed an underwriting group which on March 9 offered at 103¾% and accrued interest, a new issue of $6,000,000 of 20-year 3% debentures of Philip Morris & Co. Ltd., Inc. due March 1, 1963.

Net proceeds from the sale of these debentures and from the sale at $62 a share of 105,176 shares of common stock offered by the same underwriting group under warrants to common stockholders dated Feb. 23, will be applied to the payment of bank loans and the balance will be applied to the general working capital of the company.

According to the prospectus, cash requirements have increased substantially, and in the period from March 31, 1942, to Dec. 31 of the same year the company's inventories rose from $53,080,487 to $66,406,270; its net accounts receivable rose from $6,209,719 to $9,011,058; and its net investments in property, plant and equipment rose from $3,650,663 to $3,815,235. During these nine months the company financed in part its cash requirements by bank loans which at the year end amounted to $8,500,000 and since that date have increased to $12,000,000.

Upon completion of the financing, capitalization of the company will consist of $6,000,000 of 20-year 3% debentures of May, 1962; $6,000,000 of 20-year 3% debentures of May, 1963; 147,491 shares of cumulative preferred stock 4¼% series and 49,666 shares of cumulative preferred stock, 4½% series and 999,174 shares of common stock.

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Alfred Duff Partner In Arrowsmith-Post

Alfred J. Duff becomes a partner as of today in Arrowsmith, Post & Welch, 115 Broadway, New York City, members of the New York Stock and Curb Exchanges. Mr. Duff has been with the firm for some time as manager of the trading department.

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Russell G. Sumner Is With Martin, Burns

(Special to The Financial Chronicle)

CHICAGO, Ill.—Russell G. Sumner has become associated with Martin, Burns & Corbett, Inc., 135 So. La Salle Street, members of the Chicago Stock Exchange. Mr. Sumner was previously vice-president of William R. Stuart & Co. Inc., with which he had been associated for many years.

Offers Possibilities

Chicago & North Western first and refunding 4½s and 5s, 2037, offer attractive possibilities according to a circular just issued by McLaughlin, Baird & Reuss, 1 Wall Street, New York City, members of the New York Stock Exchange. Copies of this interesting circular may be had upon request from the firm.

In The Armed Forces

Rad Stoll, of Craigmyle, Pinney & Co., 1 Wall Street, New York City, is leaving on Friday, March 12, for service in the U. S. Army.

This advertisement is not, and is under no circumstances to be construed as, an offering of the following securities for sale or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

40,000 Shares

Galvin Manufacturing Corporation
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Common Stock
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Offering Price $8.50 Per Share

Copies of the Prospectus may be obtained from such of the undersigned only as are registered dealers in securities in this State.

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March 9, 1943

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Liston H. Crist** has become associated with **Lamson Bros. & Co.,** 141 West Jackson Boulevard. Mr. Crist was formerly with Otis & Co. and prior thereto for many years with H. C. Speer & Sons Co.

(Special to The Financial Chronicle)

FRESNO, CALIF. — **Ellis O. Thorwaldson,** previously with Hannaford & Talbot, is now connected with the **Bankamerica Company,** Bank of America Building.

(Special to The Financial Chronicle)

GREENSBORO, N. C.—**Charles S. Norwood** has been added to the staff of **McDaniel Lewis & Co.,** Jefferson Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Louis B. Barnes** is now with **Conrad, Bruce & Co.,** 530 West Sixth Street.

(Special to The Financial Chronicle)

PASADENA, CALIF.—**William E. Lawson** has rejoined the staff of **Leo G. MacLaughlin Co.,** 54 South Los Robles Avenue. Mr. Lawson was recently affiliated with H. R. Baker & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**James R. Downing** and **Edward J. Peck** have become associated with **Geo. H. Grant & Co.,** Russ Building. Both were formerly with H. R. Baker & Co.

(Special to The Financial Chronicle)

SEATTLE, WASH.—**E. D. Peterson** is now with **Drumheller, Ehrlichman Co.,** Exchange Building. In the past Mr. Peterson was an officer of Patten, Eyman & Co. and prior thereto was with Drumheller, Ehrlichman Co. and Halsey, Stuart & Co.

(Special to The Financial Chronicle)

WALLA WALLA, WASH.—**Erle T. Churchman** has been added to the staff of **C. C. Dunning,** First National Bank Building.

J. P. Morgan Ill In Florida

The illness of J. P. Morgan at Boca Grande, Fla., was made known on March 9, at which time the banking house of J. P. Morgan & Co. Inc., of which he is Chairman, issued a statement as follows:

"Mr. J. P. Morgan is ill at Boca Grande, Fla., where he had gone for a brief rest. He has had a return of his old heart trouble with complications. Because of his age (75) we are anxious."

Mr. Morgan left New York on Feb. 23 for a Winter vacation at Boca Grande, where he has been staying in a cottage on the grounds of the Gasparilla Inn. Mr. Morgan, who had suffered two previous heart attacks in recent years, the first in June, 1936, and another a year later in England during the coronation of King George VI, suffered his present attack on March 2. In the New York "Times" of March 10 it was stated:

"There has been 'marked improvement' in his condition, despite 'ups and downs' during the last week, and a close associate said last night that his colleagues expected him to recover unless pneumonia or infection should set in."

The same advices said:

"Dr. Henry Stuart Patterson, New York heart specialist, who has been treating Mr. Morgan for a heart condition for several years, is in charge of the case. He went to Boca Grande by rail after weather conditions had grounded the plane he was to have taken.

"Two other physicians are in attendance—Dr. William Blake of Tampa and Dr. A. P. Burns of Boca Grande."

N. Y. Analysts To Hear Reuss

Wendell Reuss, partner in McLaughlin, Baird & Reuss, members of the New York Stock Exchange, will address the Railroad group of the New York Society of Security Analysts, Inc. on the Missouri-Kansas-Texas Railroad at the regular luncheon meeting to be held March 12, at 12:30 p.m. at 56 Broad Street, New York City.

Shepard Opens in N. Y. C.

Saul J. Shepard has opened offices at 522 Fifth Avenue, New York City and will act as investment adviser and broker in general securities. Mr. Shepard is a member of the New York Stock Exchange.

ATTRACTIVE SITUATIONS IN
REAL ESTATE SECURITIES
Statistics and complete information on request

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REAL ESTATE SECURITIES

Hotel Lexington Cash Sinking Fund Of $136,272.33 For Six Months Ended Dec. 31, 1942 Equal To Approximately 3½% On Bonded Debt.

The 28-story Hotel Lexington containing approximately 750 rooms and located on the southeast corner of Lexington Avenue and 48th Street, New York City, was reorganized in 1935. Securities issued in the reorganization consisted of a unit comprising an $800 Mortgage Income Bond, a $200 Income Debenture Note and 15 shares of Capital Stock for each old $1,000 bond. The stock so issued represents about 67% of the equity in the property. Under the terms of the indentures the sinking funds purchase the bonds and notes, the stock being retained by those who tender bonds and notes to the sinking funds.

The reorganization record of the property is impressive in spite of the fact that it was handicapped at the start with reorganization expenses of about $144,000 and cost of alterations and improvements of about $165,000, of which $127,000 was the cost of the "Revere Room," which has been a good source of income since completed. The period up to June, 1942, produced income sufficient, however, to defray the above costs and to pay in full all 4% cumulative interest on the funded debt of $3,900,000 and to leave a balance of about $16,000 available as a sinking fund, sufficient to reduce funded debt to $3,867,500.

Starting, however, in July, 1942, with a clean slate and a demand for hotel accommodations, the property earned in the six months' period a net profit of $212,230.15. The directors declared $210,594.33 as an amount available for distribution, of which the sum of $136,272.33 was allocated to sinking funds; 80%, or $109,017.86, for retirement of mortgage bonds, and 20%, or $27,254.45, for retirement of debentures, and the balance distributed in payment of interest at the rate of 4% per annum on the entire outstanding funded debt on March 1, 1943. The statement issued to bondholders by the corporation under date of Feb. 27, 1943, shows that the major portion of the sinking fund moneys has been expended in the purchase of bonds and debentures ($150,400 bonds and $39,500 debentures), having until June 1, 1943, to exhaust any remaining funds. With these purchases funded debt has been reduced to $3,677,600.

It is a well known fact that present hotel occupancy in New York is higher than it has been in many years; an evidence of this fact is the Lexington itself, with October, 1942, occupancy of 81% compared to 72% in October, 1941. Occupancy should hold at present or better levels, and when this fact is taken into consideration with average occupancy and earning figures shown in the schedule below the future for holders of Hotel Lexington securities is favorable.

The following schedule shows average occupancy figures and the ratio of earnings after elimination of non-recurring expenses and capital items.

Year	Average Occupancy	Ratio Earned on Annual Basis on "Units"
1936	74.73%	6.31%
1937	71.92%	4.78%
1938	67.06%	5.07%
1939	66.32%	5.50%
1940	60.94%	4.36%
1941	60.62%	4.80%
1942	64.52%	8.55%

Net profit available for interest and sinking fund purposes (computed according to the respective indentures) actually earned in 1942 was $333,519.65, against $187,982.23 in 1941 and $159,717.65 in 1940.

An interesting part of this reorganization is the 67% of the equity stock issued in the unit. This stock holds promise of dividends and increased value, due to the fact that when outstanding mortgage bonds are reduced to $2,400,000 (originally $3,120,000 and now reduced to $2,943,600) the amount of the sinking fund then applicable is limited to 1% of the amount outstanding at the end of each six-month period, or $20,000, whichever shall be greater. When this point has been reached it is evident that the top sinking fund could be no more than $24,000 for a six-month period. At the earning rate for the last six-month period, when $109,000 was applicable as a sinking fund, the annual amount available would be about $218,000, and at this rate reduction to $2,400,000 is not too far away. At that time dividends may be declared on the capital stock.

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W. K. Morris Is With Kebbon, McCormick

(Special to The Financial Chronicle)

CHICAGO, Ill.—Wyllys K. Morris has become associated with Kebbon, McCormick & Co., 231 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Morris was formerly vice-president of Wells-Dickey Company of Minneapolis.

Hooker Electrochemical Situation Attractive

The current situation in Hooker Electrochemical Co. offers attractive possibilities, according to a memorandum issued by Hughes & Treat, 40 Wall Street, New York City. Copies of this interesting memorandum may be had from the firm upon request.

Tomorrow's Markets Walter Whyte Says—

Market decline now underway. Diplomatic maneuverings responsible, not taxes or earnings. Reaction of 5% indicated.

By WALTER WHYTE

Two weeks ago when this column began warning against following market strength it was practically a "voice crying in the wilderness." Now that we have seen a two day decline the number of optimists is decreasing. Being human I should like to believe that it was the warnings of this column that caused the reversal in public opinion. Being realistic I know there are hundreds, maybe thousands, who never even heard of me and can arrive at market conclusions without my help.

* * *

When this column began flashing the red light the news was good. The Russians were chasing the Germans across the frozen steppes. We had just licked the bejabbers out of the Japs in the Bismarck Sea. We were turning the tables against Rommel's Afrika Korps in Tunisia.

* * *

On the home front matters remained in statu quo. The Congress up to its usual standard was kicking big time matters around and getting a lot of valuable newspaper space about whether or not the guns above the Capitol were made of wood and manned by dummies.

* * *

On the diplomatic front Poland was "inquiring" about Russia's intentions about restoring Poland's old frontiers and people in high places were wondering if the Red Army would stop at the Russian borders or chase the Germans all the way into Berlin.

* * *

Hays, American Ambassador to Madrid, made a speech praising Franco's fascist rule and boasted of our efforts to keep Franco supplied with oil. This speech caused a furore but as our State Department is apparently sold on appeasement, the furore died aborning. The market continued to go up, and forecasts and "tips" began to be as thick as flies.

* * *

You may wonder what all this has to do with the market. The answer is in last week's column. The future of markets no longer depends on speeches made by diplomats in Washington or representing Washington abroad. It depends on what is behind these speeches. It points to the kind of a world we will have tomorrow.

* * *

The other day, Standley, American Ambassador to Moscow, also made a speech. In a press conference he accused the Russians of withholding information of American aid from the Russian people. Now, the Admiral knew he was starting something. What the purpose behind his accusation was is not clear to the naked eye. But that there was a purpose you can bet your bottom dollar. Appeasing a potential enemy on one hand and irritating a powerful ally on the other must of necessity have a repercussion on the world of tomorrow we hear so much about.

* * *

The market may not be able to understand the implications, but it does understand enough not to like what it sees. But diplomatic fencing has only begun. It will be intensified in the near future. And as it increases so will market swings increase.

* * *

If you would understand today's economic changes and the markets that reflect it you must understand history.

* * *

To get back to the market and its recent action: Current opinion has it that the approach of tax payment date and bad earnings are responsible for the decline. I don't agree. Anybody who has to make out an income tax report knew that March 15 was coming. And poor earnings are nothing new. No; whichever way you turn the crux of the problem of the market and its future can be found in the war and the lines of national cleavages now being drawn.

* * *

Reducing the action of the market to averages and individual stocks, I expect the first to decline about 5%

Continued on page 915

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The financial community is apparently finally awaking to the fact that a high level of railroad earnings is not such a temporary phenomenon after all, and that it will be maintained for the duration of the war at least. One hears very little these days from those who contended that railroad earnings had definitely reached their peak and were bound to decline from here on, which had become almost a monthly cry during the year and a half that ended on Dec. 31, 1942. No more do we hear that taxes are finally catching up with the relatively sheltered railroad industry, that the peak of efficiency has been passed and that further traffic gains would inevitably bring a disproportionate rise in operating costs, or that the sustained load coupled with lack of materials were on the verge of seriously affecting operations.

The January earnings results were apparently more effective than any previous earnings factors in finally bringing home to the public the import of what was happening in the railroad industry. Practically all of the major Class I carriers were able to report continuing year-to-year earnings gains (some of very sizable proportions) in the face of a sharp increase in tax accruals and deductions for depreciation of road and structures, instituted this year. More and more it becomes evident that the real answer to railroad earnings lies in traffic volume and not in cost factors.

The unfortunate part of the final awakening of speculative enthusiasm for the general run of securities of the marginal roads (reorganization railroads had had a large following all along) has been the indiscriminate nature of the buying that has been generated. The weakest stocks have registered phenomenal price gains despite the virtual certainty that dividends would be out of the question even with years of present earnings levels, and where the question of post-war solvency is still far from settled. This growing interest in stocks of little intrinsic worth is being hailed as a factor of weakness in the whole underlying market structure, and it seems advisable at this time to sound a note of warning.

Many rail men are recommending the exchange from such poorly situated stocks into stocks that have interim dividend prospects and where sufficient basic improvement has taken place to at least minimize the danger of post-war insolvency. The outstanding examples of rail equities with little or no prospect of dividend return even in a long, drawn-out war, which have advanced sharply for no apparent reason other than their low price (and low price certainly does not necessarily mean cheap) are listed below. It is notable that the group includes some stocks of reorganization roads which are actually scheduled for elimination under pending reorganization plans. Even if the plans are liberalized it is not likely that these stocks will receive any more than warrants to buy new stocks.

	Recent Price	1942-43 Low
Baltimore & Ohio common	7⅛	2⅝
Baltimore & Ohio preferred	11⅜	4½
Central Railroad of New Jersey	8	1⅝
Colorado & Southern common	8	⅝
Colorado & Southern 2nd pfd.	8¼	1
Colorado & Southern 1st pfd.	9	1
Delaware & Hudson	12⅝	7
Delaware, Lackawanna & Western	5¾	2⅞
Lehigh Valley	5¼	2⅝
Missouri-Kansas-Texas pfd.	8¾	1⅜
New York, New Haven & Hartford preferred	4½	⅝
Seaboard Air Line preferred	4	7/16

It is obvious that stocks of this type would be particularly vulnerable to any slight change in sentiment towards the railroad picture, which in turn might be brought about by development of a peace psychology, or an unfavorable decision in either the wage or the rate case.

Certainly it may be assumed that these questionable securities have less intrinsic worth than, for instance, the stocks of railroads that have already gone through reorganization. In these latter cases the new capitalizations have been set up on a basis considered impervious to any conceivable post-war conditions, so the stocks are not inherently dangerous. Moreover, the reorganized companies are not faced with the current financial worries of the weak marginal properties so that the prospects are much brighter for some dividend return during the war period of high earnings. With this in mind, the common stocks of Erie and Gulf, Mobile & Ohio are considered as admirable substitutes for those listed above.

We recommend dealers' consideration, at this time, of all issues of
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Interesting R. R. Situations

According to the current issue of Railroad Securities Quotations published by B. W. Pizzini & Co., 55 Broadway, New York City, Seaboard & Roanoke first mortgage 5s of 1931, Boston & Maine first preferred stock, and Lehigh Valley Railway of New York first mortgage 5½s of 1950 offer attractive possibilities at the present time. Copies of the "Quotations" discussing these situations and giving quotations on guaranteed stocks, underlying railroad bonds, reorganization railroad bonds, minority stocks and guaranteed telegraph stocks may be had upon request from B. W. Pizzini & Co.

Paul Loughridge Dead

Paul Loughridge, vice-president of Bosworth, Chanute, Loughridge & Co., Denver, Colo., died in Philadelphia after a long illness. Mr. Loughridge had been associated with Bosworth, Chanute & Loughridge since its formation in 1916. He served as a Major in the first World War and was a former president of the Rocky Mountain Investment Bankers Association.

Over-Counter Review

Bristol & Willett, 115 Broadway, New York City, have issued the current volume of their "Over-the-Counter-Review." Copies of this interesting Review may be had from Bristol & Willett upon request.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—49, low—14¾; March 10 price—48½.

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(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

This column reported a few weeks ago that 1942 net operating profits of leading New York City banks were in most instances higher than in 1941. The aggregate for a group of 15 totaled $96,020,000 in 1942 compared with $90,741,000 in 1941, an increase of 5.83%. It was also reported that their deposits were up from $17,351,833,000 to $20,856,613,000, an increase of 20.2%, and their U. S. Government securities up from $6,987,486,000 to $11,620,178,000, an increase of 66.3%. Loans and discounts, which include commercial loans, however, declined from $3,835,654,000 to $3,806,908,000, a decrease of 0.76%.

This week we shall review the experience of some of the principal commercial banks of cities other than New York, according to figures compiled and published by Moody's Investors Service.

	Net Operating Earnings Per Share 1941	1942	% Change
San Francisco:			
Bank of Am. N.T.&S.	$4.16	$4.01	— 3.5
Los Angeles:			
Security First Nat.	5.95	5.68	— 4.5
Cleveland:			
Nat. City Bank	2.12	2 35	+10.8
Chicago:			
Cont. Ill. Nat. B.&T.	5.80	7.72	+33.1
First National	21.74	22.16	+ 1.9
Northern Trust	30.79	32.05	+ 4.1
St. Louis:			
First National	2.25	1.82	—19.1
Philadelphia:			
First National	29.08	31.18	+ 7.2
Corn Ex. N. B. & T.	4.08	4.21	+ 3.2
Phila. National	8.02	6.50	—19.0
Boston:			
First National	3.20	3.05	— 4.7
Second National	6.93	5.58	+19.5

These 12 banks form a fairly representative group. It will be noted that six of them report their net earnings as averaging 10% better in 1942 than in 1941, while the other six report them as averaging 11.7% lower. All of them, however, show deposits and holdings of Government securities higher on Dec. 31, 1942, than on Dec. 31, 1941; on the other hand, their loans and discounts have declined. The tabulation below shows dollars as of Dec. 31, 1942, and the per cent change from Dec. 31, 1941:

	Deposits ($000)		U. S. Governments ($000)		Loans & Discounts ($000)	
San Francisco:						
Bank of Am. N. T. & S.	2,586,141	+35.5%	1,043,062	+111.3%	340,470	— 8.1%
Los Angeles:						
Security First Nat.	806,484	+21.0	323,192	+ 72.4	237,310	—10.4
Cleveland:						
National City Bank	290,437	+20.8	155,778	+151.9	58,039	—20.3
Chicago:						
Cont. Ill. Nat. B. & T.	2,052 097	+27.0	1,295,007	+ 78.3	269,393	— 5.3
First National	1,676,774	+29.1	930,879	+112.8	328,477	—19.6
Northern Trust	459,247	+ 9.9	216,219	+ 58.3	46,622	—10.7
St. Louis:						
First National	339,581	+ 5.9	165,256	+117.2	74,992	— 8.3
Philadelphia:						
First National	139,968	+ 8.9	55,812	+ 63.0	31,267	—25.6
Corn Ex. N. B. & T.	191,446	+23.3	80,587	+120.3	38,827	—29.5
Phila. National	678,428	+ 7.7	375,280	+ 69.6	81,462	—11.1
Boston:						
First National	1,061,370	+29.4	452,782	+172.7	299,470	— 7.1
Second National	122,227	+13.7	62,468	+210.0	38,557	—25.4

Total deposits of the 12 banks aggregated $10,404,200,000 Dec. 31, 1942, compared with $8,313,696,000 on Dec. 31, 1941, a growth in excess of $2,000,000,000 during the year, or 25.1%. Holdings of Government securities expanded from $2,594,385,000 to $5,156,322,000, an increase of approximately $2,562,000,000, or 98.8%. Loans and discounts declined from $2,642,035,000 to $2,345,186,000, a drop of $296,849,000, or 11.1%.

It is of significance that whereas on Dec. 31, 1941, their total loans and discounts exceeded their total Government securities, on Dec. 31, 1942, their Government holdings were 2.2 times loans and discounts. This change in the relative proportions of earning assets has been brought about by the war financing needs of the Government and will undoubtedly become still more pronounced as the war progresses, and specifically after the completion of the April financing program.

In the case of the 15 New York banks referred to in the first paragraph, we have to go back five years in order to find loans and discounts in excess of Government holdings, as the following table shows:

Dec. 31—	U. S. Governments ($000)	Loans and Discounts ($000)
1942	11,620,178	3,806,908
1941	6,987,486	3,835,654
1940	5,843,352	3,170,023
1939	4,623,278	3,113,887
1938	3,702,334	3,140,357
1937	3,421,679	3,612,449

With earning assets increasing in the banking system at a rapid pace, and destined to so continue during the period of war financing, and probably during the period of post-war financing also, it seems from the record, so far, that well managed commercial banks in New York and other leading cities will be able to give a good account of themselves and maintain a satisfactory level of earnings, despite higher expenses and taxes, and a lower rate of return on assets.

British Banks

Since Britain has been in the war a much longer period of time than has the United States, it is of interest to review the profits and dividends as reported by Britain's five leading banks, the "Big Five."

REPORTED PROFITS AND DIVIDENDS

	1941	1942	% Increase	1941 and 1942 Dividends
Barclays	£1,353,303	£1,529,744	13.0	14%
Lloyds	1,274,199	1,364.082	7.1	12%
Midland	1,969,288	1,997,132	1.4	16%
National Provincial	1,057,783	1,132,018	7.0	15%
Westminster	1,189,680	1,237,585	4.0	18%

Earning assets of these banks have increased approximately 55% since the outbreak of war. The increase in profits, however, has not been commensurate with this expansion, due to greater expenses and the changed character of assets. There has been a large decline in "advances to customers," or commercial loans, which formerly constituted the most profitable source of revenue, and in their stead the banks' portfolios now hold a large volume of Treasury bills, 2½% national war bonds, etc., on which the net return is relatively low.

Both American and British banks are playing an important role in the financing of this war, as they have other wars. In playing this part, however, they have not been asked to jeopardize their normal earning ability; neither have stockholders been required to sacrifice dividends. On the contrary, earnings have tended to increase. Governments recognize the vital importance of a sound banking system during the period of war-destruction as well as during the period of post-war reconstruction. An essential of such soundness is an adequate earning level.

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Schram Says Market Vitality Augurs Well

(Continued from first page)

preme test, amazing not only our enemies but our allies as well.

"The vitality of our markets augurs well for the success of the forthcoming War Bond campaign. These markets are telling a story of confidence and, with confidence as a base, we should have no difficulty in attaining any goal which the Treasury may set for the April financing.

"Free markets are open to all, as they should be, but access to them should not be abused. Those who are unable to judge intrinsic values, or are unwilling to be guided by these values, should stay out. The New York Stock Exchange requires that the companies whose securities are on its list make available factual information as to their earnings and financial condition. The Exchange urges that all who use its facilities avail themselves of this information and not be intrigued by the fact that particular securities may be selling at very low prices. The securities which are cheapest in price may, in reality, be the most expensive, measured by the consideration of true worth."

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000

Aggregate Assets 30th Sept., 1941 £150,939,354

SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea and London, it offers the most complete and efficient banking service to investors traders and travellers interested in these countries.

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Head Office Cairo
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Continuous Dividend Payers

An interesting list of companies listed on the New York Stock Exchange which have paid dividends consecutively for 30 to 94 years has been compiled by Dempsey-Tegeler & Co., 407 North Eighth Street, St. Louis, Mo., members of the New York and St. Louis Stock Exchanges. Copies of this interesting list, which gives the dividends paid during 1942 and the approximate yields, may be had from Dempsey-Tegeler & Co. upon request.

Stelmack Convicted

William J. Stelmack, head of the former over-the-counter firm of William J. Stelmack Corporation, 70 Pine Street, New York City, was convicted of grand larceny in General Sessions on charges of inducing customers of a brokerage house where he had been employed to invest in worthless stock at his own over-the-counter firm. He will be sentenced on March 22 and faces a penalty of 17 to 35 years in prison.

DIVIDEND NOTICES

THE TEXAS COMPANY

162nd Consecutive Dividend paid by The Texas Company and its predecessor.

A dividend of 50¢ per share or two per cent (2%) on par value of the shares of The Texas Company has been declared this day, payable on April 1, 1943, to stockholders of record as shown by the books of the company at the close of business on March 5, 1943. The stock transfer books will remain open.

L. H. LINDEMAN
February 17, 1943 *Treasurer*

AMERICAN MANUFACTURING COMPANY
Noble and West Streets
Brooklyn, New York

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of $1.25 per share on the Preferred Stock and a dividend of 50c per share on the Common Stock of the Company. Both payable April 1, 1943, to stockholders of record March 8, 1943. The stock record books will be closed for the purpose of transfer of stock on March 8 until April 1, 1943.

ROBERT B. BROWN, Treasurer.

EATON & HOWARD
BALANCED FUND

The Trustees have declared a dividend of 20 cents per share payable March 25, 1943, to shareholders of record at the close of business March 15, 1943.

March 5, 1943. 24 Federal St., Boston

New York & Honduras Rosario Mining Company
120 Broadway, New York, N. Y.
March 10, 1943.
DIVIDEND NO. 362

The Board of Directors of this Company, at a meeting held this day, declared an interim dividend for the first quarter of 1943, of Fifty Cents ($.50) a share on the outstanding capital stock of this Company, payable on March 27th, 1943, to stockholders of record at the close of business on March 17th, 1943.

WILLIAM C. LANGLEY, Treasurer.

OFFICE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
CHICAGO ILLINOIS

The Board of Directors of Louisville Gas and Electric Company (Delaware) at a meeting held on March 5, 1943, declared a quarterly dividend of thirty-seven and one-half cents (37½c) per share on the Class A Common Stock of the Company, for the quarter ending February 28, 1943, payable by check March 25, 1943, to stockholders of record as of the close of business March 15, 1943.

At the same meeting a dividend of twenty-five cents (25c) per share was declared on the Class B Common Stock of the Company, for the quarter ending February 28, 1943, payable by check March 25, 1943, to stockholders of record as of the close of business March 15, 1943.

G. W. KNOUREK, Treasurer.

UNITED FRUIT COMPANY
DIVIDEND NO 175

A dividend of fifty cents per share on the capital stock of this Company has been declared payable April 15, 1943, to stockholders of record at the close of business March 18, 1943.

LIONEL W. UDELL, *Treasurer.*

THE YALE & TOWNE MFG. CO.

On March 9, 1943, a dividend No. 211 of fifteen cents (15c) per share was declared by the Board of Directors out of past earnings, payable April 1, 1943, to stockholders of record at the close of business March 19, 1943.

F. DUNNING, Secretary.

Ins. Stock Trend Upward

The Mackubin, Legg Insurance Stock Index as of Jan. 30, 1943, and the Fire Index showed a marked upward trend according to a bulletin just issued by Mackubin, Legg & Company, 22 Light Street, Baltimore, Md., members of the New York Stock Exchange. Copies of the bulletin, containing interesting comparative figures, together with memoranda on Fidelity & Guaranty Fire Corporation, Fidelity & Deposit Company of Maryland, may be obtained from the Insurance Stock Department of Mackubin, Legg & Co.

Also available is a bulletin giving earnings and liquidating values of 27 fire and casualty insurance company stocks, which may be had from the firm upon request.

The Securities Salesman's Corner

Some Whys and Wherefores Regarding Dealer Profits

Continued from page 906

making a profit. Besides this most important consideration, he also pointed out to the salesman that if he didn't make a profit that his interest in selecting the proper investments for this customer would accordingly be diminished. So instead of having the proper interest in this account and laying a good foundation for the future both the salesman and the customer would be the losers in the end.

Investor interest in securities is once again beginning to revive—we will no doubt soon again hear the familiar cry of the reformer and the regulator: "Reduce your profit margins; regulate your mark-ups; put ceilings on your profits"—and all the rest of that kind of thing. This column believes that sort of thing is strictly the bunk. We believe in common sense and a reliance upon fundamental principles of fair play as the basis upon which each and every registered securities dealer should conduct his own business. We don't condone fraud—nor does anyone else approve it that believes in the principle that the majority of American business men rely upon the confidence and the good faith of their clients to keep them in business. We do believe that when one is paid well for doing a job that ordinarily he will do a better job than when he is underpaid. And whether it's generally appreciated or not the successful management of an investor's portfolio (and that is what proper securities salesmanship really amounts to) is worth a **substantial recompense in commissions and profits.** It costs considerable money to sell securities—especially to do it properly so that the welfare of your clients is improved and safeguarded. This is something someone should clearly bring to the attention of a number of people who for the most part have never been in the securities business, and who therefore hold some very erroneous ideas on this subject.

When certain people talk about 10% profit, or whatever percentage they think is too much or too little—they are not talking about profit-margins—they should be more specific—they really mean overall gross profits. There is a vast difference between such an overall percentage and a true net profit. Net profits are the **only true profits.** A true profit is what you are allowed to keep for yourself. In most cases it's far too small rather than too large. Let's have less talk about profit margins and more business in the months to come—the Lord knows it's about time we had more of both.

FINANCIAL NOTICE

THE BALTIMORE AND OHIO RAILROAD COMPANY INVITATION FOR TENDERS

TO THE HOLDERS OF

The Baltimore and Ohio Railroad Company:

		Fixed Interest Rate
(1)	First Mortgage 5s—1948	4%
(2)	First Mortgage 4s—1948	4%
(3)	Southwestern Division 5s—1950	3½%
(4)	Pittsburgh Lake Erie and West Virginia System 4s—1951	4%
(5)	Toledo-Cincinnati Division 4s—1959	4%
	Refunding and General Mortgage:	
(6)	Series "A" 5s—1995	1%
(7)	Series "C" 6s—1995	1⅕%
(8)	Series "D" 5s—2000	1%
(9)	Series "F" 5s—1996	1%
(10)	Secured 4% Notes—1944	4%
(11)	Lincoln Park and Charlotte Railroad Company First Mortgage 5s—1949	5%
(12)	Ohio and Little Kanawha Railroad Company First Mortgage 5s—1950	5%
(13)	Buffalo, Rochester and Pittsburgh Railway Company Consolidated Mortgage 4½s—1957	3%
(14)	Buffalo and Susquehanna Railroad Corporation First Mortgage 4s—1963	4%
(15)	Cincinnati, Indianapolis and Western Railroad Company First Mortgage 5s—1965	3%
(16)	West Virginia and Pittsburgh Railroad Company First Mortgage 4s—1990	4%
(17)	Cleveland Terminal and Valley Railroad Company First Mortgage 4s—1995	4%
(18)	Allegheny and Western Railway Company First Mortgage 4s—1998	4%

The Baltimore and Ohio Railroad Company (hereinafter called the Company) hereby invites tenders of the secured obligations of the several issues and series above listed.

Persons, desiring to tender any such secured obligations, should fill out and mail to the Company at its office at No. 2 Wall Street, New York, N. Y., a tender or tenders in the form supplied by the Company, limiting each tender to a single issue or series, if any, and to one price per $100 principal amount.

All tenders of any of said secured obligations must be received by the Company at the above mentioned address on or before 3 o'clock p. m., Eastern War Time, **March 20, 1943.** Notice of acceptance in whole or in part or of rejection of tenders will be mailed to the makers of the tenders not later than **March 29, 1943,** at the addresses appearing in their respective tenders. Notice will be published on or before **March 25, 1943,** stating the prices up to and including which each issue and series, if any, have been accepted.

All such secured obligations shall be tendered at a price per $100 principal amount. Fixed interest on all secured obligations, delivered pursuant to tender acceptances, will be paid, as part of the purchase price, to **April 15, 1943,** but not thereafter.

All secured obligations, delivered pursuant to the acceptance, in whole or in part, of a tender, must be delivered in negotiable form and must be so delivered during the period **April 5-15,** inclusive, **1943,** at the office of the Company, No. 2 Wall Street, in the City of New York, N. Y., where payment therefor will be made.

All secured obligations in coupon form, delivered pursuant to the acceptance, in whole or in part, of a tender, must be accompanied by all appurtenant fixed and contingent interest coupons, maturing after **April 1, 1943.** All registered secured obligations must be accompanied by duly executed bond powers, with signatures guaranteed.

Requests for tender forms may be addressed to the Company at its office Baltimore, Maryland, and marked "Attention: J. J. Jenkins, Treasurer," or to the Company at its New York office, No. 2 Wall Street, New York, N. Y., and marked "Attention: W. R. Bixler, Assistant Treasurer." All other inquiries and correspondence regarding this invitation should be addressed to the Company at its office, Baltimore, Maryland, marked "Attention: J. J. Jenkins, Treasurer."

If not available at your bank or broker's office, tender forms will be supplied by the Company upon request.

If the principal amount of the secured obligations tendered by any one person (other than by a bank, trust company, insurance company or member of a national securities exchange or association) does not exceed $100,000 principal amount, arrangements must be made with a bank, trust company or member of one of such exchanges or associations to surrender the secured obligations tendered in case of acceptance, in whole or in part, of the tender. Banks, trust companies and insurance companies may make arrangements for delivery of the secured obligations tendered by them through another bank, trust company or member of one of such exchanges or associations. The bank, trust company, exchange or association member, signing the tender form in the space provided therefor, delivering and accepting settlement for secured obligations pursuant to and in accordance with an acceptance, in whole or in part, of a tender of another party or person, will be paid by the Company $2.50 per $1,000 principal amount thereof.

The Company reserves the right, in its absolute discretion, to accept or reject any or all tenders of any of said secured obligations or to accept any portion of the secured obligations covered by any tender and reject the balance.

THE BALTIMORE AND OHIO RAILROAD COMPANY
R. L. SNODGRASS, Vice-President.

Baltimore, Maryland
February 25, 1943.

Our Reporter's Report

(Continued from first page)

RFC new securities with a value of $135,833,808.

Repayment of the RFC in cash, it is maintained, would permit substantial treatment for both classes of stockholders.

A Quick Operation

This week's offering of $6,000,000 of 20-year 3% debentures, of the Philip Morris & Co., Ltd., Inc., provided a fair insight into the temper of the new issue market.

It was evident from the run of inquiry over the last week or 10 days that the debentures were destined to move out rapidly.

But the actual experience of bankers who made the offering was decidedly heartening. It required but a brief time to obtain full subscription upon opening of the books.

Offered at a price of 103¾ and accrued interest, the debentures commanded a bid of 104¼ late on Wednesday.

Optimistic?

Some of the more optimistic among the investment banking fraternity were hopeful that the ice would be broken in the public utility field by early marketing of the Public Service Co. of New Hampshire bonds under its modified plan.

Feeling in such circles was that the company could be expected to call for competitive bids in the near future, perhaps in time to permit the public offering of the bonds along toward the final week of the month.

As expected, the company recently amended its registration statement with the Securities and Exchange Commission to reduce the amount of the 3¼% first mortgage 30-year bonds from $22,000,000 to $20,500,000.

Interesting Case

A swing around the offices of the many municipal bond houses would probably reveal April 19 marked off on most calendars as a day which may prove highly significant in that quarter of the securities business.

For that is the date set for trial of the Treasury Department's suit seeking to tax the income from bonds of the Port of New York Authority, to be heard in the Tax Court of the United States.

A victory in this case could, it was recognized, start the Treasury off on another campaign to have Congress end the tax exemption now accruing to municipals. Back in March, 1941, the Treasury sent tax deficiency notices to a small number of holders of the Port Authority's bonds who had not included, in their tax returns, the interest from its bonds.

Lull in Municipals

Institutional holders of municipal bonds, primarily the insurance companies, apparently have terminated for the time being the programs for lightening up on such investments.

For several weeks recently recurrent sales of sizable blocks were negotiated by such interests, and the trend revealed a tendency to spread to smaller life firms in the Middle West.

Dealers, who generally are not overstocked, are known to be bidding for blocks, but it appears that the companies are inclined at the moment to await improved conditions marketwise.

BOND SERIES
LOW-PRICED BOND SERIES
NATIONAL
SECURITIES SERIES
INCOME SERIES
PREFERRED STOCK SERIES
LOW-PRICED COMMON STOCK SERIES
INTERNATIONAL SERIES

FIRST MUTUAL TRUST FUND

Prospectuses upon request

NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York

Investment Trusts

SQUALL AHEAD

By the time this column goes to print our anonymous friend with the Market Trend Indicator will be in cash. You may recall that the gentleman and his "indicator" were last mentioned here on Dec. 31, 1942, in a column entitled "The Index Is Still Up!"

Readers who are not acquainted with the record of this man as it has developed on the basis of his forecasts reported here are referred to that column, which contains a review of the complete record. The circumstances of the current forecast are as follows:

1. The short-term price trend indicator turned down on Saturday, March 6.

2. No change of trend has occurred in the longer-term indicator.

The last and only time that similar circumstances have existed since both indicators signalled a major bull market on April 28, 1942, was when the short-term index turned down last November. You will remember that although no general setback of significant proportions occurred at that time, a number of groups, including the rails, aircrafts and steels, did sell off sharply. The short-term index in that instance turned up again in the second week of December.

Those who understand clearly that all forecasting devices are fallible, and simply measures of probabilities rather than absolute indicators, will be interested in the interpretation which is given of the present situation. To begin with, the first "leg" of a primary bull market usually runs a lot farther in point of time, or distance, or both, than the great mass of investors and speculators anticipate. "A bull market feeds on itself." Conversely, the first reaction in such a market is usually shorter and less severe than what may be termed the "normal expectancy" of reactions. Both of these generalizations have been rather strikingly demonstrated by the bull market which got under way last spring.

In the past the "signals" given by the short-term indicator referred to above have nearly always preceded the turn by a few days. This was true even in the case of the Pearl Harbor break. It seems that the market frequently gives the "double cross"—a short, final thrust in the direction of the current trend—before making a turn. Thus, as this is written (Monday, March 8) the probabilities are that a rally will take place in the next day or so before the anticipated reaction sets in.

Railroad Shares

A Class of Group Securities, Inc.

Prospectus on Request

Distributors Group
Incorporated
63 Wall Street New York

Although investment fund managers must concern themselves with the probabilities outlined here, to the holders of investment company shares they should be of small concern. Investment companies are not proper mediums for in-and-out trading. Such a reaction as the one indicated might not even go far enough to compensate for the additional loading charge incurred.

However, for the consideration of those whose job it is to watch market movements closely, it might be helpful to call attention to the probability that the coming reaction will be somewhat greater in extent than the one which occurred in the closing months of 1942.

News & Views

The current issue of News & Views published by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif., contains an interesting summary of the current situation in Home Insurance Company. Also given are comparative figures for 1942 on 17 insurance companies. Copies of this interesting bulletin may be had upon request from Butler-Huff & Co.

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THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON, MASS.

Announcing—
Composite Ratings for
OHIO MUNICIPAL BONDS
Supplement No. 1 to
White's Analysis of Municipal Bonds

The Analysis itself shows, for every county in the U. S. and for every city of 10,000 or more population: the relative importance to such county or city of farming, mining, manufacturing, railroad shops or resort business; how well or how poorly diversified is the manufacturing; how important the foreign element is; from where such foreign element comes.

The Supplement combines this information with the Debt Burden and Other Factors to give Composite Ratings for 145 Ohio subdivisions.

Price for the Analysis proper is $5.00, including the Supplement. Price for the Supplement alone is $1.00.

J. A. White & Co.
SPECIALISTS IN OHIO MUNICIPAL BONDS
Union Central Bldg., Cincinnati

Municipal News & Notes

Resurgence of the Reconstruction Finance Corporation as a source of activity in the municipal field is seen in the recent sales by the agency of over $30,000,000 of its holdings to investment interests. The bureau, it will be recalled, played a prominent role in the municipal market in the early depression years and, as a matter of fact, furnished much of the action then in evidence. However, the agency ultimately succeeded in liquidating practically all of the desirable holdings which it had accumulated during the period when municipal credit in general hit an all-time low, due to rather widespread defaults and general depression conditions.

It continued to remain a potent factor in the business, however, as the primary outlet for a considerable number of revenue issues which the private market was unable to finance owing to the undemonstrated economic feasability of the projects for which such debt was incurred. In the case of some other issues, still other considerations appeared to militate against their being distributed in private channels. Whatever the reasons, the fact remains that the Federal agency is now able and willing to liquidate some of its present holdings. The word "willing," incidentally, is used advisedly as the RFC was never loathe to resist driving a hard bargain for its offerings.

Placements of recent origin include the $9,000,000 Seattle, Wash., 3½% municipal transportation system refunding revenue bonds, which were underwritten by a syndicate headed by Blyth & Co., Inc., and Blair & Co., Inc. Priced to yield from 0.75% to 1.50% for maturities from 1944 to 1961 incl., the offering, reports say, was an exceptional success. Actually, it was said, the demand which developed for the obligations was of such nature that the syndicate decided to make the formal offering of the issue several days prior to the date originally intended.

Still another substantial deal resulting from negotiations between investment houses and the RFC concerns an issue of $21,635,000 Lower Colorado River Authority, Texas, revenue bonds, which were acquired by Stranahan, Harris & Co., Inc. The reoffering of the bonds will be sponsored by an account headed by the First Boston Corp. and the previously-mentioned firm.

In addition, the RFC has also disposed of $4,140,000 State of Arkansas refunding highway bonds to the American National Bank of Nashville and the First National Bank of Memphis. The corporation, it was said, still holds $10,000,000 of the State's obligations.

Institutional Selling

A possible new entry among institutional sellers of municipals is the Metropolitan Life Insurance Co. of New York, which recently accepted offers from investment houses on several blocks of bonds. Like its predecessors, the Metropolitan has very definite ideas as to prices and is not likely to accept offers that do not conform to its own views.

In a sense, such institutions occupy the "driver's seat," being in a position to weigh offers very carefully in view of the circumstances currently obtaining with regard to the small floating supply of new municipals and the continuing desire of dealers to "tap" new sources of supply.

Announces Composite Ratings For Ohio Municipal Bonds

J. A. White & Co., Cincinnati municipal bond dealers, publishers of White's Analysis of Municipal Bonds, announces the issuance of Supplement 1 to the Analysis, containing composite ratings for 145 Ohio municipalities.

The Analysis itself shows, for every county in the United States and for every city of 10,000 or more population, a wealth of information concerning the relative importance to the economic structure of each municipality of farming, mining, manufacturing, etc. Also shown is the character and origin of the foreign element included in the local population.

Accordingly, the book should prove of the greatest importance to dealers and investors in municipal bonds as it shows at a glance many factors that must necessarily be considered in evaluating the true credit standing of each community. This information, along with the debt burden and other factors, has been combined in compiling, in Supplement No. 1, the composite ratings for the Ohio subdivisions.

J. A. White & Co. announce that the price for the Analysis proper is $5, including the current supplement, while the supplement alone costs $1.

State & Municipal Bonds

John B. Carroll & Co.
24 Commerce Street, Newark, N. J.

State's Gas Tax Collections In December and January

Gasoline tax collections of December and January for States having their first taste of motor fuel rationing indicate the extent to which motorists stocked up on gasoline before nation-wide rationing became effective in December, according to a survey by the Federation of Tax Administrators issued March 11.

Gas tax collections for December in 29 then-unrationed States, reflecting November buying, were down only 3% from November, 1941, collections. Collection figures for these States for October and November, showing declines of 15 and 11% from collections for the same months of 1941, emphasize further the stocking up.

Consequently, December buying was unnaturally low, as reflected by the 32% decline in January collections from January, 1942. Further collections for these States are not expected to reflect reductions of this magnitude, the Federation said.

Fifteen of the originally-rationed eastern States reported gas tax reductions of 25 and 36% for December and January, which correspond to similar decreases experienced during the previous months. The ban on pleasure driving in the eastern States, however, is expected to result in an additional decline in these States in February collections.

On a nation-wide basis, December collections were down 10% and January collections down 34%. Heavy November buying and light December buying are reflected in these figures, also, the Federation said.

Following are figures showing monthly decreases in State gas tax collections in comparison to collections for the same months of the previous year:

	June	July
40 States	—16	—18
27 unrationed	—11	—15
13 rationed	—22	—24
	Aug.	Sept.
45 States	—14	—26
29 unrationed	— 8	—17
16 rationed	—24	—39
	Oct.	Nov.
40 States	—21	—17
27 unrationed	—15	—11
13 rationed	—34	—32

	Dec.		Jan.
44 States	—10	*39 States	—34
29 States	— 3	†24 States	—32
‡15 States	—25	‡15 States	—36

*All rationed States. †Newly-rationed Dec. 1. ‡Originally-rationed States.

El Paso, Texas, Considers Utility Plant Purchase

Union Securities Corp., New York, has been appointed fiscal agent of the City of El Paso, Texas, through the award to it of an agency contract under which it will advise the city as to engineering, financial and legal matters in connection with the proposed purchase by the city of the properties of El Paso Electric Co. The Electric Co. operates generating, transmission and distribution facilities in the City of El Paso and nearby communities in the States of Texas and New Mexico. It also operates a coordinated street railway and bus transportation system in El Paso and environs and owns and operates the American halves of two toll bridges across the Rio Grande between El Paso and Juarez, Mexico. It conducts street railway operations in Juarez.

El Paso Electric Co. is a subsidiary of Engineers Public Service Co., which is under an order from the Securities and Exchange Commission to divest itself of control of the El Paso company. Although negotiations have not yet commenced between the city and Engineers Public Service, it is anticipated that the ultimate transaction will involve something around $16,500,000.

In 1942 Union Securities Corp. was fiscal agent for the City of San Antonio, Texas, and negotiated the purchase by that city of the properties of the San Antonio Public Service Co.

Public Sale vs. Private; Payment vs. Refunding

J. A. White, President of J. A. White & Co., Cincinnati, in an article carrying the above-mentioned caption, observes that two measures have been introduced in the Ohio State Senate "which should be brought clearly to the attention of holders and buyers of Ohio municipal bonds." "Both bills," Mr. White says, "represent a philosophy of public finance which has already gained too much credence, and which is in need of being revised before a day of reckoning is brought upon us by another depression." Excerpts from the article follow:

"Senate Bill No. 184, introduced by Senator Walcutt of Franklin County authorizes any subdivision simply with the consent of '50%, in amount, of holders of bonds of any issue outstanding,' to issue to such holders new refunding bonds in exchange for bonds already outstanding, 'whether matured or unmatured.' 'And such refunding bonds need not be offered to the officers in charge of the sinking or bond retirement fund of the subdivision, nor offered for public or private sale as provided by the Uniform Bond Act, before exchanging them for refunded bonds as provided herein.'

"In other words, if this bill passes the Legislature, a subdivision can issue refunding bonds simply by exchanging them with the holders of the bonds to be refunded, whether such bonds have matured or not, whether they are due in 1943, in 1953 or 1963. The refunding bonds that could be issued under this bill would not be sold at public sale, nor even at competitive private sale. The only requirement as to the interest rate is that it must not be higher than that on the bond being refunded. Otherwise, the only requirement is simply that the new bonds to be issued must be accepted by 50% of the holders in amount of the bonds being refunded. In other words, there would be no actual sale of the new bonds, but only an exchange. Of necessity, such a procedure will not be surrounded with the safeguards ordinarily provided to assure the taxpayer that bonds issued by a subdivision are issued at the lowest interest rate possible and on the most advantageous terms possible.

"Senate Bill No. 87, introduced by Senator Corlett of Cuyahoga County, deals with much the same subject, of issuing refunding bonds simply by exchange and without benefit of public or competitive sale, but it obviously has been drawn with greater finesse by someone familiar with refunding deals. Briefly, this bill provides that 'notwithstanding the provisions of the Uniform Bond Act . . . any subdivision shall have power under this act to refund any or all general obligation bonds or notes of such subdivision . . . whether matured or unmatured.' The subdivision desiring to refund under this bill shall file an application with the Board of Tax Appeals of the Department of Taxation in Columbus.

"Here again, then, is another attempt to re-enact a law providing for private exchange of bonds without benefit of public sale. This Senate Bill 87 does include a provision that 'The Board of Tax Appeals shall also approve the interest rate or rates. . . .' This requirement may aid in preventing the grossest abuse of private sales, but one is forced to ask if the Board will be able, assuming that it makes the effort, to safeguard taxpayers of the subdivision by assuring it the most favorable interest rate obtainable. It would seem to require a specialist in Ohio municipal bonds to know the proper interest rate that any such bonds should carry, and even such specialists are often in disagreement, as is witnessed by the difference in interest rates bid on issues offered at public, advertised sale. Bids submitted at such public sale often vary a full 1% in coupon rate between the highest and the lowest bid submitted even by dealers.

"In addition to providing opportunities for the abuses of private sales or exchanges, these bills represent a philosophy of public finance which is likely to redound to the detriment of the subdivisions of Ohio; rather than to their advantage."

Kentucky Taxation Developments Reported

James W. Martin, of the University of Kentucky, calls attention to two Kentucky developments in taxation likely to be of more than local interest, to wit:

The Court of Appeals, the Supreme Court of the State, on February 16 held in Thomas F. Burke vs. Department of Revenue and H. Clyde Reeves constitutional a recently enacted statute authorizing the Kentucky Department of Revenue, among other things, (a) to test any person who seeks to qualify for County Tax Commissioner (assessor) by means of examination, questions which "shall be formulated so as to fairly test the ability of the applicants to serve as County Tax Commissioner"; and (b) to order a reassessment of all the property or of any class of property in a county if the assessment was "not in substantial compliance with the law" and if "the interest of the public necessitates a reassessment." In both cases the court held that the standards prescribed by the Legislature were sufficient — that there was no delegation of legislative authority.

The State Department of Revenue is experimenting with a plan to avoid overuse of equalization orders. Since the 1870's or 1880's the equalization agency has usually entered orders regarding local valuations in a majority of the counties. Until recent years, the "equalization" was performed almost exclusively on the basis of hunches. For the last few years considerable data have been collected and analyzed; but the results of the process have not been satisfactory. This year, at the beginning of the assessment period, the Department of Revenue announced it was not going to enter any equalization orders. The announcement had no bearing on review proceedings. Assessments have not been entirely completed, but preliminary data suggest that the assessors may have done their work a little better than usual. Possibly the total performance may be inferior; that will not be clear till the local review results have been tabulated.

Major Sales Scheduled

In the following we list the issues of $500,000 or more which, at this writing, make up the calendar of further sales. We do not include note offerings as these, generally speaking, are usually acquired by institutions for their own account.

March 16

$2,000,000 Providence, R. I.

Last previous issue awarded to Halsey, Stuart & Co., Inc., New York, and associates, with the second high offer being made by Lehman Bros. syndicate.

March 23

$550,000 Calhoun County, Iowa.

March 25

$600,000 Buena Vista County, Iowa.

$500,000 Cherokee County, Iowa.

UNION CARBIDE AND CARBON CORPORATION AND SUBSIDIARIES

OPERATING IN THE UNITED STATES AND CANADA

CONSOLIDATED BALANCE SHEET

December 31, 1942

ASSETS

CURRENT ASSETS		
Cash		$ 55,472,658.57
United States Treasury Tax Notes		10,000,000.00
Marketable Securities (Cost or Market, whichever lower)		3,495,354.99
Receivables (After Reserve for Doubtful)		
Trade Notes and Accounts	$ 45,670,865.29	
Other Notes and Accounts	7,188,300.21	52,859,165.50
Inventories (Cost or Market, whichever lower) *(See Note 2)*		69,969,770.36
TOTAL CURRENT ASSETS		$191,796,949.42
FIXED ASSETS (Cost or less)		
Land, Buildings, Machinery, and Equipment	$342,695,703.28	
Deduct—Reserves for Depreciation and Amortization	140,633,975.34	202,061,727.94
INVESTMENTS (Cost or less)		
Affiliated Companies in United States and Canada	$ 576,976.38	
Affiliated Companies outside United States and Canada	3,392,994.42	
Foreign Subsidiaries	20,931,322.33	
Other Securities	802,140.52	25,703,433.65
DEFERRED CHARGES		
Prepaid Insurance, Taxes, etc.		3,282,831.75
POSTWAR REFUND OF EXCESS PROFITS TAX *(See Note 6)*		3,780,687.87
PATENTS, TRADE-MARKS, AND GOODWILL		1.00
TOTAL ASSETS		$426,625,631.63

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable		$ 17,260,557.30
Dividend Payable January 1, 1943		6,958,341.00
Installments due within one year on Sinking Fund Debentures		1,800,000.00
Accrued Liabilities		
Taxes (Including Income and Excess Profits Taxes)	$ 67,583,502.57	
Interest	220,000.00	
Other Accrued Liabilities	2,058,987.38	69,862,489.95
TOTAL CURRENT LIABILITIES		$ 95,881,388.25
DEFERRED LIABILITIES UNDER GOVERNMENT CONTRACTS		1,717,436.60
FIFTEEN-YEAR, 2½% SINKING FUND DEBENTURES OF UNION CARBIDE AND CARBON CORPORATION DUE SEPTEMBER 1, 1953, AFTER DEDUCTING SINKING FUND INSTALLMENTS DUE WITHIN ONE YEAR (as above)		24,600,000.00
TOTAL LIABILITIES		$122,198,824.85
RESERVE FOR POSTWAR CONTINGENCIES *(See Note 6)*		10,000,000.00
CAPITAL STOCK OF UNION CARBIDE AND CARBON CORPORATION—9,277,788 shares of no par value not including 136,649 shares held by the Corporation	$192,879,842.43	
EARNED SURPLUS	101,546,964.35	294,426,806.78
		$426,625,631.63

CONSOLIDATED INCOME AND SURPLUS STATEMENTS

Year Ended December 31, 1942

INCOME

INCOME		$138,359,798.48
Deduct—		
Depreciation and Depletion	$ 16,726,350.63	
Amortization	16,210,661.84	
Interest	892,843.11	
Income and Excess Profits Taxes *(See Note 6)*	66,441,220.19	100,271,075.77
NET INCOME (Net Income does not include Postwar Refund of Excess Profits Tax in the amount of $3,780,687.87)		$ 38,088,722.71
AMOUNT TRANSFERRED TO RESERVE FOR POSTWAR CONTINGENCIES *(See Note 6)*		6,219,312.13
AMOUNT TRANSFERRED TO SURPLUS		$ 31,869,410.58

SURPLUS

EARNED SURPLUS AT JANUARY 1, 1942		$100,539,149.97
Add—		
Amount Transferred from Net Income	$ 31,869,410.58	
Increase in Market Value of Marketable Securities at December 31, 1942	100,334.59	
Reduction of Valuation Reserve—Securities sold during the year	2,547.29	31,972,292.46
		$132,511,442.43
Deduct—		
Dividends Declared	$ 27,833,364.00	
Payments on Employees' Past-Service Annuities Under Retirement Plan	3,131,114.08	30,964,478.08
EARNED SURPLUS AT DECEMBER 31, 1942		$101,546,964.35

NOTES RELATING TO FINANCIAL STATEMENTS

1—The principles used in preparing the accompanying consolidated statements for the year 1942, are as follows:

All subsidiaries that are one hundred per cent owned, and operate in the United States and Canada, are consolidated.

Current assets, deferred charges, current liabilities, and earnings of Canadian subsidiaries consolidated have been converted at the official rate of exchange. Other assets and liabilities of Canadian subsidiaries consolidated were converted at the prevailing rate at time of acquisition or assumption.

Foreign subsidiaries, all one hundred per cent owned, are shown as investments. Only that part of the income of foreign subsidiaries that was received during the year as dividends is included in income. Unaudited reports covering less than a full year indicate that the income of companies paying such dividends will exceed the amount of dividends paid.

Affiliated companies, less than one hundred per cent but more than fifty per cent owned, are also shown under investments. The equity in the net worth of some of these affiliated companies carried in investments at $2,974,287.94 increased $1,104,965.93 between January 1, 1938 (or date of acquisition, whichever is later) and the date of latest unaudited reports received. Of this increase, $438,921.64 is applicable to the current period. No reports are available for 1942 for the remaining affiliated companies carried in investments at $995,682.86. The consolidated income does not include any part of the undistributed net income of affiliated companies.

2—The Corporation has elected to change its method of valuing inventories and determining cost of sales by the adoption of the "last in—first out" method with respect to all inventories, other than supplies, of United States subsidiaries. Inventories, other than supplies, of Canadian subsidiaries have been valued on the "average-cost" method heretofore used. The effect of the change has been to decrease inventories and increase cost of goods sold by approximately $2,270,000. As in previous years the value of all inventory items has been adjusted to cost or market, whichever lower. The amount of such adjustments was negligible.

3—The Trustee of the Savings Plan for Employees holds Collateral Debentures of Carbide and Carbon Management Corporation secured by 178,275 shares of stock of Union Carbide and Carbon Corporation under plans for employees. As of December 31, 1942, the assets held by the Trustee amounted to $11,185,902.31 and the unpaid balance of amount borrowed by the Trustee in connection with the purchase of debentures was $1,300,000.00. Union Carbide and Carbon Corporation has agreed to maintain the assets in the Trust Estate at an amount sufficient to repay the indebtedness and permit the distribution of the Trust Estate to the persons entitled thereto.

4—Payments relating to years prior to July 1, 1937, were made to insurance companies in the maximum amounts acceptable to such companies to apply toward the purchase of Past-Service Annuities under the Retirement Plan for Employees. These payments were charged to surplus. Payments for the purchase of Future-Service Annuities were charged against income.

5—The applicability of the War Profits Control Act and the effect, if any, on the financial statements have not been determined nor provision made therefor. The volume of direct sales to Government departments or agencies was small in relation to the total sales of the companies consolidated.

6—Income and Excess Profits Taxes are charged against income after reducing such taxes by the amount of $1,111,000.00 which represents the Debt Retirement Credit permitted under the Revenue Act of 1942. No deduction has been made from such taxes for the Postwar Refund of Excess Profits Tax in the amount of $3,780,687.87 and consequently this amount is not included in net income. The Postwar Refund and $6,219,312.13 transferred from net income have been used to provide a reserve for postwar contingencies.

AUDITORS' REPORT

UNION CARBIDE AND CARBON CORPORATION:

We have examined the balance sheet of Union Carbide and Carbon Corporation and its one hundred per cent owned subsidiaries operating in the United States and Canada, as of December 31, 1942, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence by methods and to the extent we deemed appropriate. Except that it was not practicable to confirm receivables from United States Government agencies, as to which we have satisfied ourselves by means of other auditing procedures, our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Subject to the omission from income of postwar refund of excess profits tax, which, we believe, constitutes a proper addition thereto, in our opinion, the accompanying balance sheet and related statements of income and surplus present fairly the position of Union Carbide and Carbon Corporation and its subsidiaries consolidated at December 31, 1942, and the results of consolidated operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as to the method of valuing inventories and determining cost of sales as explained in Note 2 of notes relating to financial statements. In our opinion, the methods adopted for valuing inventories and determining cost of sales are in accordance with generally accepted accounting principles.

HURDMAN AND CRANSTOUN
Certified Public Accountants

New York, N. Y., March 6, 1943.

We offer, subject:

$250,000

Province of Ontario

5% Bonds—due April 1, 1952

Price 113.25 and interest, yielding 3.29%

Wood, Gundy & Co.

Incorporated

14 Wall Street, New York

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CANADIAN SECURITIES

By BRUCE WILLIAMS

Canadian taxpayers have learned the "bad news" for their fiscal year 1943-1944. At the start of the new fiscal year on April 1 they will shift over to a monthly pay-as-you-earn basis. Individual income tax rates for the new year have not been raised but the shift to a current basis will increase the taxpayer's total bill. The increase represents two months' of last year's taxes which were not forgiven, resulting in a "telescoping" of fourteen months' taxes into the new fiscal year. In the lower and middle income groups this will mean an increase of approximately 10% to 15% in their effective tax rates for 1943-44.

Lest Americans jump to the conclusion that Canadians are taking the "easy road" in financing their war effort it would be well to review the highlights of their new budget and the means they are applying to meet it. Since September, 1939, the Canadian Government has spent $9 billion —roughly equivalent to $100 billion for this country. Of this expenditure, 87% has been for direct war costs. In the coming fiscal year Canada proposes to spend $5.5 billion. Taxes will raise an estimated $2,527 million, or 46% of this amount. The balance will have to be met through borrowing.

This record budget will force some relaxation in Canada's splendid record of war financing. To date more than 60% of all her war budget costs have been met out of revenue. The record is as follows:

PART OF CANADA'S EXPENDITURES COVERED BY REVENUE

Years Ended March 31	Percent
1939	86.9%
1940	66.4
1941	51.0
1942	51.2
1943	49.4
1944 (est.)	45.9

By contrast, it is estimated that United States Government expenditures in the 1943-44 fiscal year will not be met by more than 30% out of current revenue.

After living through ten years of New Deal financing, Americans could be pardoned for assuming that some kind of "fancy bookkeeping" was involved in Canada's record. However, that is not the case. Canadians have simply followed the prosaic but proven method of notching their belts tighter and tighter in an honest effort to meet a rapidly increasing vital need.

Just how far this notching up process has been carried can be seen from a comparison of United States and Canadian individual income tax rates. The following illustrations are based on rates in effect for 1942:

I

MARRIED MAN WITH NO DEPENDENTS WHO EARNED $3,000 IN 1942

	United States	Canada
Income Taxes	$324	$584
Compulsory Savings	----	300
Total	$324	$884

II

MARRIED MAN WITH TWO DEPENDENTS WHO EARNED $5,000 IN 1942

	United States	Canada
Income Taxes	$592	$1,062
Compulsory Savings	----	600
Total	$592	$1,662

The Canadians in the above illustrations will have maximum additional tax burdens this year of $110 and $239, respectively. The 5% Victory tax has increased the maximum 1943 taxes of the comparable Americans by $119 and $219. However, there will undoubtedly be a considerable narrowing of the present overall "spread" when Congress gets around to setting our tax rates for 1943.

For American investors in Canadian Government securities there is vital significance in these figures. Experience (particularly American experience during the Thirties) supports the copy book maxim that "willingness to pay" is just as important as "ability to pay." Canada's record of war financing bears striking evidence of both.

Composite Ratings For Ohio Municipal Bonds

J. A. White & Co., Union Central Building, Cincinnati, Ohio, specialists in Ohio municipal bonds, announce the publication of "Composite Ratings for Ohio Municipal Bonds," supplement No. 1 to White's Analysis of Municipal Bonds.

The Analysis itself shows, for every county in the United States and for every city of 10,000 or more population the relative importance to such county or city of farming, mining, manufacturing railroad shops or resòrt business; how well or how poorly diversified is the manufacturing; how important the foreign element is; from where such foreign element comes. The Supplement combines this information with the debt burden and other factors to give composite ratings for 145 Ohio subdivisions.

Price for the Analysis proper is $5.00, including the Supplement. Price for the Supplement alone is $1.00. Copies may be obtained from J. A. White & Co.

R. H. Goodwin & Co. Formed In Houston

HOUSTON, TEX.—R. H. Goodwin & Co. has been formed with offices at 307 Esperson Building, to act as dealers in municipal and corporate bonds, investment trusts, and over-the-counter stocks. R. H. Goodwin is sole proprietor of the firm. Mr. Goodwin was formerly associated with Geo. V. Rotan Co. for seven years.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

James C. Ward retired from partnership in G. H. Walker & Co., St. Louis, Mo., on Feb. 28.

Privilege of Albert B. Tompane to act as alternate on the floor of the Exchange for Harry I. Nicholas, Jr., was withdrawn as of March 4. Both are partners in Benton & Nicholas.

Savings And Loan Associations Repaying Govt. Loans Far Beyond Requirements

CHICAGO, Ill.—Savings, building and loan associations returned to the Federal government in January some $48,000,000 of the funds which have been invested in their share accounts over the past nine years. The United States Savings and Loan League, announcing this move in a bulletin just received by members, said that the associations have now retired into Uncle Sam's war coffers 55% of all such investments.

As of the first of the month only $121,000,000 of the peak Government investment of $273,000,000 is still in use by these local thrift and home financing institutions.

Morton Bodfish

Morton Bodfish, executive vice president of the League, explained that beginning with 1934 the Treasury and later the Home Owners' Loan Corporation were authorized to invest funds in the shares of the community home lending institutions in order to expand home lending facilities rapidly in the mid-1930's and thus increase employment in the home building trades. He predicted that the balance of these investments would be paid off in the next twelve months.

The statute authorizing the Government investment in the associations provided that none of the principal should be asked to be retired until after it had been in the associations five years, and then not more than 10% of the total amount should be asked in any one year. In the interest of supplying the Treasury with whatever funds can be made available at this time, the associations have stepped up their repayments far beyond the requirements.

Mr. Bodfish pointed out that in the Spring of 1940 the associations retired voluntarily $35,000,000 of the direct investments of the Treasury in their shares. At that time a message had been sent by President Roosevelt to the Senate outlining the possibilities of $700,000,000 additional cash in the Treasury by reducing some of the funds in Government instrumentalities, and the savings and loan retirement was in response to that suggestion.

The League bulletin in which the total January repayment was announced to the members suggested that an even more rapid retirement of such investments by the savings and loan institutions would be forthcoming if the Government agencies in question facilitated such payments in months other than the two immediately following dividend periods.

Your STANDARD FOR SAFETY

STANDARD FEDERAL meets every standard of safety for your savings. Strong, time-tested management, ample reserves, sound underlying security, plus federal insurance for each account to $5,000, protect you. Liberal income too. Funds received by 10th of month earn from 1st.

STANDARD
Federal Savings
AND LOAN ASSOCIATION
735 South Olive Street
Los Angeles • MI-2331
Buy War Bonds Here

Childs Will Not Quit Race For Comptroller

Continued from page 907

held inviolate the office of City Comptroller."

"So you do not expect to withdraw?" was the next inquiry.

"No, indeed," the candidate answered. "When I was appointed deputy comptroller by Comptroller Thrift in 1910 I used to literally sleep with the city charter under my pillow. I am now reviewing that most interesting document and also the book of appropriations for 1943, which, as you know, was first issued in its present form when I was deputy comptroller of the city."

"Let me give you a paradox," Mr. Childs continued. "I have the utmost confidence that I shall not lose in the primary by reason of a majority of the registered Democratic voters voting against me. The only way I can lose is by a majority of the registered Democratic voters not going to the polls at the primary election and not voting at all on April 6."

"Are you against the organization?" The questioner now frankly thought he had Mr. Childs out on a limb.

"No, indeed," he quickly answered. "How could I be? In the first place, my middle name is Talbott, for old Fred Talbott, 'Just for Congress' Talbott, perennial Congressman from Baltimore county.

"In the second place, in 1911 I was appointed deputy comptroller when the organiaztion, the 'Old Fashioned Democratic Administration,' elected James H. Preston, 'Dashing Harry,' Mayor, by a none-to-comfortable majority. These were the days when the 'Royal Family,' John Mahon, 'Frank' (The) Kelly, 'Paving' Bob Padgett, and Dan Loden were at their zenith, immortalized by McKee Barclay's famous cartoon."

"Why should a man of your many interests and activities run for public office?" the reporter inquired.

"If the office runs for me," Mr. Childs insisted. "I'll slow up enough for it to catch up with me, and, using Mr. Dickens' immortal words, 'Barkis is willin'."

"Will you run for a fifth term as president of the Advertising Club?" was the last question Mr. Childs was asked, which, of course, had no relation to politics.

"Now you're asking me to look into the crystal glass far too soon," he answered; "and besides, I've never run for that office; the fellows just elected me without opposition, as the voters elect the judges on our bench without opposition, and as I think the voters should elect a man to succeed the late R. Walter Graham."

Home Insurance Co. Issues Newspaper For Our Forces Overseas

Dedicated to the armed forces of the United States and the 35% of its men employees who are now in the armed services, the Home Insurance Company has published an eight-column standard-size newspaper, "Overseas Edition—News From Home," containing a general roundup of news and events here in the United States so that the men in our fighting forces overseas can keep in touch with what is taking place at home.

Feeling that no single publication in the United States quite does the job of presenting the over-all picture so that boys who may not see an American newspaper for weeks or months on end will know what is happening, Harold V. Smith, President of the Home Insurance Company, conceived of the the overseas edition as a unique contribution to the morale of our fighting forces. It was produced under the direction of Kenneth H. Dunshee, the company's public relations director. Headings such as these suggest the type of news in the publication, which is illustrated with drawings and photographs: "Rationing Comes to the U. S. A.," "The Great Dim Way," "U. S. Farmers Ready to Feed 'Em for Freedom," "Nation Clicks Ahead —But Many Changes in the Old Home Town," "There's A Good Time Coming," "Some Letters from the Boys," "The World of Sports," and "This Is America." Contributors include Frank Graham of the New York "Sun"; Willard Mullin, cartoonist of the New York "World-Telegram"; Wm. T. Cobb, former editorial writer on the "Wall Street Journal"; Stirling Bowen, former dramatic critic, and Dave De Camp, feature writer.

An editorial entitled "Salute to Our Fighting Men" says the supplement is issued "as a small token of gratitude to the men whose guns are blazing from Africa to the South Seas and who undoubtedly will in the not too distant future be smashing at Hitler's citadel and the stronghold of the Sons of the Rising Sun."

"For amid the countless comforts of our fortunate land," says the editorial, "even under the necessary rationing restrictions, we do not for one moment forget that you — soldiers, sailors and marines — are the defenders of America, guarding our homes, our loved ones, our freedom—wherever you are. And we fully realize that however much we may contribute here on the home front, our tasks and sacrifices are insignificant in comparison with those you are making on every continent and on every sea.

"All over the world people have faith in you—faith that you will win as win you will—faith that at the war's end you will lead in building a livable world of peace and safety and freedom. We at home will do our small part in keeping that faith alive and shining."

Hill Thompson Offers Dealers News Service

Hill, Thompson & Co., Inc., 120 Broadway, New York City, because of the shortage of manpower in the securities industry have at the request of many dealers instituted a new idea for dealers only. They will furnish to interested dealers a supply of memorandums on special situations without their imprint so that the dealer may affix his own name for distribution to his customers. Currently they have available memorandums on Quaker City Cold Storage first mortgage 5s of 1953 and American Business Credit Corp. class "A" stock. Others are in preparation.

S. S. Lewis Co. in N. Y.

Sydney S. Lewis is conducting a general securities business from offices at 250 West 57th Street, New York City under the firm name of S. S. Lewis Company. In the past Mr. Lewis was in business in New York under the same firm name.

Program To Salvage Fiscal And Monetary Solvency

(Continued from first page)

of managed currency, both here and in Britain, and the most we can do is to get the best possible managers.

The real danger, in my opinion, lies in the huge volume of currency and bank deposits already in the hands of the public, and which will continue to grow until the end of the war and for some time thereafter. The public will be able to buy far more than we can produce, perhaps for several years. This will mean inflation, unless there is the strictest kind of control of government fiscal policy, banking and monetary policy, and the distribution of goods and services. Such control would have to be honestly, impartially and efficiently administered. This is admittedly a large order, taking due account of human frailties, but unless we get it, there will be inflation of prices, whether or not the dollar is devalued.

FRANK F. BROOKS

President,
First National Bank of Pittsburgh

There appears to be so much going on in the way of discussions across the country at the present time about this post-war economy and where we are to be led that I hesitate to commit myself in any definite manner other than to say that I hope the refinancing of the early readjustment period will be left largely to the private banking system and not allowed to drift into the many governmental loaning agencies that are already set up and slowly but surely making decided inroads on the capitalistic system as a whole.

Frank F. Brooks

Industry has a big job on its hands and I personally believe that it will be up to us all to keep the wheels turning over and find some kind of continuous employment for the thousands working in our industrial establishments today as well as the millions in the armed service, a good portion of whom will be receiving their discharge shortly after the war is over. Of course, this will necessarily have to be done at the expense of a certain amount of what is commonly called inflation or several years of high prices.

We must not think of deflating the value of our currency and this move should only be made as a last and desperate result to correct a situation that I hope will not prevail during our reconstruction period.

LOUIS SIEBER

Vice-President, John Wittbold & Co., Chicago

In your issue of March 14, 1943, Dr. Walter E. Spahr, in his article headed "Program to Salvage Fiscal and Monetary Solvency" expressed in clear and understandable language the undeveloped thoughts I have entertained on this subject for some time.

I am grateful for the article and believe a concerted effort should be made to promote and support a fiscal and monetary program as outlined by Dr. Spahr.

DAVID E. WILLIAMS

President, Corn Exchange National Bank & Trust Co., Philadelphia

Dr. Spahr's views coincide with mine in that the huge national debt should be paid off in terms of present dollars.

David E. Williams

It seems to me that if the Treasury could consolidate this debt and issue, at a low interest rate, the greatest possible amount of its obligations in a long-term negotiable form to be sold to the investor, it would help recovery from our present situation.

My further belief is that if the dynamic forces of private enterprise are released and the channels of international trade reopened under a reciprocal trade agreements program, national income should experience a substantial increase over pre-war totals. That increase may be of sufficient magnitude not only to effect a substantial reduction in the relative debt burden, but also to permit an actual reduction in the amount of debt.

Certainly, we are on the threshold of important economic frontiers; for instance, post-war potentialities in the field of housing, of consumer demand, and in foreign trade, would seem to present great economic opportunities.

The whole question presents a tremendous problem and there are many sides to the question, but I agree with Dr. Spahr that the public should be informed in every practical way that presents itself.

RAY MORRIS

Partner,
Brown Brothers Harriman & Co.

Perhaps I can best summarize my comments by saying that I am sure the debt so far is manageable. But I am a little puzzled by Dr. Spahr's thought that the debt should be consolidated and funded into "a permanent one at a low rate of interest." As I read this, the language seems to imply a consolidated debt without maturity. But because of the characteristic fact that the American acceptance market has never been developed to a point where it provided adequate flexibility for the changing daily positions of the banks, as the English bill market used to do, I should think that, mechanically, it would be necessary, as far ahead as I can see, to have in existence a large amount of short Treasury paper of one sort or another. Perhaps Dr. Spahr includes this in his program; I cannot quite tell from the language. Without a large volume of short prime bills of one sort or another available for use by the banks, I should think problems of price depreciation of the "Consols" would affect them profoundly.

Ray Morris

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

Philip Morris & Co. Ltd., Incorporated

$6,000,000

Twenty Year 3% Debentures, due March 1, 1963

Dated March 1, 1943

Price 103¾% and accrued interest

Copies of the Prospectus may be obtained in any State from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

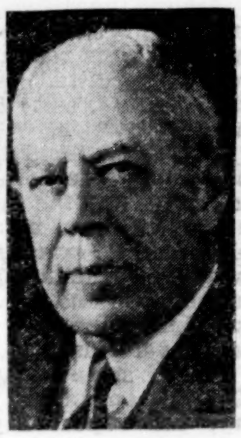
LEHMAN BROTHERS GLORE, FORGAN & CO.

March 9, 1943

HENRY H. SANGER

Chairman of the Board, The Manufacturers National Bank of Detroit

I have read Dr. Spahr's article, "Program to Salvage Fiscal and Monetary Solvency" with much interest and am thoroughly in accord with his views. The problem is to educate the public, who understand little about what the Government's financial condition will be at the end of the war. I very much fear the devaluation of the dollar or the uncontrolled issuance of greenbacks.



Henry H. Sanger

DE WITT D. BARLOW

President, Atlantic, Gulf & Pacific Co., New York City

I have read Dr. Spahr's article with interest. Not being an economist perhaps I should not express an opinion on it. His proposal to convert all our national debt into permanent bonds (I assume that means bonds never to be redeemed, like the British Consols) strikes me as one worth studying. The effect would be, of course, to ease the tax load enormously. But how much difference does that make? The debt is all owned domestically, and looking at the nation as a whole, debt service is only taking money out of the right-hand trouser pocket and putting it into the left one. If the debt were ideally owned, i.e., if each taxpayer owned the exact proportion of the total bonds that his taxes bear to the total debt service, it is obvious that the transaction would wash. He would get back in interest and principal exactly what he paid in taxes.

Naturally, this ideal distribution does not prevail. So it seems to me that the effect of Dr. Spahr's plan would depend on the distribution of bond ownership.

I have no doubt that he has data on the subject and I should be glad if he would supplement his article by developing that line of thought.

CARL F. DANNER

President, American Hide and Leather Co., Boston

I agree with the thought behind the article and feel that the "Chronicle" and Dr. Spahr are doing a great service in bringing these facts to the public's attention.

I can't say that I am in immediate agreement with the fourth paragraph of his program. I am not a monetary expert, but I feel that to "urge a permanent national debt as the ultimate solution to the debt problem" is altogether too inviting. If the idea gets abroad that the debt is to be permanent and never will have to be paid off, it is likely to be very much larger than if it is assumed that some day it will have to be paid off.

Carl F. Danner

Tomorrow's Markets Walter Whyte Says——

Continued from page 909

from its recent highs (130) to about 124, and the stocks you have to go under the stop prices given here last week. Feeling this way, you may wonder why I advise holding for the stops instead of getting out here and now. The answer is: there is nothing certain about markets.

* * *

Today they look lower. Tomorrow something may happen that may change the picture. As I have no way of knowing what this change will be and whether it will come, there is only one thing to do—keep positions so long as stocks keep their heads above specific levels. If you don't know what these are, I repeat then below. Air Reduction, stop 42; Bethlehem Steel, stop 59; Goodyear, stop 28; International Harvester, stop 59; Superheater, stop 15, and U. S. Steel, stop at 51.

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on March 8 that tenders for $700,000,000 of 91-day Treasury bills to be dated March 10 and to mature June 9, 1943, which were offered March 5, 1943, were opened at Federal Reserve banks March 5.

Details of this issue follow:

Total applied for, $1,382,297,000.

Total accepted, $705,256,000.

Range of accepted bids:

High, 99.930; equivalent rate of discount approximately 0.277% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.905; equivalent rate of discount approximately 0.371% per annum.

(9% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 10 in amount of $504,821,000.

H. F. Fischer Dies

H. Franklin Fischer, partner in Whitehead & Fischer, New York investment firm, died at East Orange General Hospital.

It is understood that plans now call for the investment business of Whitehead & Fischer to be continued at 44 Wall Street, New York City by Louis H. Whitehead under the firm name of Louis H. Whitehead Co.

"Reserve Tonight for a Royal treat!"

SCHENLEY
ROYAL RESERVE
Whiskey

SCHENLEY ROYAL RESERVE, 60% GRAIN NEUTRAL SPIRITS. BLENDED WHISKEY, 86 PROOF. SCHENLEY DISTILLERS CORP., N.Y.C.

UP-TOWN AFTER THREE

By BILL SMITH

SCREEN

Of the pictures to open in New York this week the British film **"The Young Mr. Pitt,"** a 20th Century-Fox production, is by far the best. With Robert Donat as the star and Robert Morley, Phyllis Calvert and John Mills in the supporting roles it tells a vivid and moving story of England in the days when William Pitt was its Prime Minister. Though the period (1768-1804) and the problems of that day seem far distant from those of today, the conditions are not so wide apart as they seem. For England, tired after its wars with the Colonies, was blind to the dangers of Napoleon who, under the guise of friendship, was preparing an invasion against her. Complacency and appeasement dominated Parliament as well as the populace. It was William Pitt, the Churchill of his day, who saw the dangers and prepared against them. The story is factual and the film itself is authentic. The acting is superb. . . . **"The Hard Way"** (Warner Bros.) deals with backstage vaudeville life and the part a domineering sister had on the lives of three people. In a flashback sequence, Ida Lupino, fished out of the bay, thinks back over the mess she made of things. Disillusioned by her own marriage, she determines her young sister (Joan Leslie) will make a successful match. A vaudeville team (Jack Carson and Dennis Morgan) play the squalid mining town in which the girls live. Carson meets Joan and is hoodwinked into marrying her. The original team breaks up and Joan and Carson form their own act. Hitting New York, Joan makes a hit while her husband is shunted aside. Tragedy enters. How it all comes out makes an interesting melodrama. Bring your hanky. . . . The latest war picture is MGM's yarn of the American Navy, **"Stand By for Action."** Jammed with such stars as Robert Taylor, Brian Donlevy, Charles Laughton and Walter Brennan, the story is a good audience vehicle. True, the plot is gossamer thin, heroics rather than heroism is the rule, but it does pack action. There is the bluff old sea dog who comes out from behind his desk. There's the retired CPO who dyes his hair so he can get back into harness. There is the smart Aleck drawing-room officer who looks down on his up-from-the-ranks senior officer, but at heart is really a fine man. And, of course, there is the senior officer himself, who is one tough hombre. You'll find them all on an old destroyer (class of '18) rescuing mothers and babies, and acting as obstetricians. And then you'll see this converted pea-shooter charging in to take on a huge Jap battleship and sending it to the bottom. It's all quite exciting. Nobody gets hurt except the Japs, and who cares about them? The kids will yell and well.

AROUND NEW YORK TOWN

The Casbah (112 Central Park South) is one of those silk and satin hideaways you see in the movies. Elegance here takes your breath away. Max Cassvan, short, dark, heavily-bespectacled French movie producer (his last picture put him on the Nazi blacklist) dreamed the whole thing up. Arranged to look like a desert tent, draped silk ceiling tucked up here and there by odd Oriental lamps, tent poles (hand-turned, we were breathlessly informed), and luxurious carpets you sink into up to your ankles, makes the Casbah (obviously no relation to its North African counterpart) sybarritic in its splendor. Even Joseph Moscatelli, major domo of the Rockefeller Rainbow Room, and his suave assistant, Francois, are here bowing the carriage trade in. In the back there is the Blue Room, where you're supposed to imagine yourself in the desert outside your cozy tent. Ceiling is blue with pin-point lights (sky and stars), with one wall draped to look like a tent entrance. Entertainment consists of a new Paul Taubman (looks like a slicked-up cricket with his tail coat), who plays the piano and acts as the M.C., all very properly and with complete decorum. Then there is a dark-haired gal, Riva Rayes, a Max Cassvan discovery, who fondles the microphone lovingly as she gives out with ". . . was eet Madreed or in Paree zat I kees you-u-u." Her nostalgic yearning for her past love life drives the carriage trade, overflowing the Casbah, wild with applause. Then, of course, there is the orchestra (can't remember its name—lost my notes) which plays rhumbas well enough to make us sigh for our wasted days when we should have gone to dancing school instead of frittering our time away working for a living. During our visit the Casbah was full of what is referred to as celebrities. At one table there was baldish, red-haired Joe Kennedy of the Boston and the Court of St. James's Kennedys, telling all and sundry how the war should be fought. At another was Conrad Nagel (remember him?) dressed informally. He wasn't wearing a wig. Of course uniforms were in abundance. Everything from apprentice seamen and buck privates to gold ribbon admirals and two-starred generals, probably getting a preview of what things are like in North Africa. . . . **Signs of the Times**—A small restaurant in the East 60s, used to call itself "Hamburger And—Inc." now calls itself "Whip and Spur." . . . Pan-American installed a new press room and asked the sign-painter to put the proper sign on the door. It was only after considerable persuasion that he gave up the idea of painting "Reporter's Work Room" on the door.

N. Y. Chamber Of Commerce Recommends Steps For Solving Nation's Manpower Shortage

The Chamber of Commerce of the State of New York made public on March 1 a report from its Special Committee on Manpower Legislation, of which Gilbert H. Montague is Chairman, outlining recommendations to help solve the nation's manpower shortage. The report which was approved by the members of the Chamber at the monthly meeting on March 4 summarized "present conclusions" of the Committee and stated that "it is not to be construed in any respect as final."

The ultimate solution of the problem throughout the country undoubtedly will be a composite of many and varied plans, the report said, adding that it is the Committee's present thought that a solution now cannot lie in any one legislative plan.

Emphasizing the importance of the manpower shortage in relation to agriculture, the report made five recommendations which would not require legislation:

"1. Stop drafting men from the farms into the army and into war plants.

"2. In the peak seasons of planting and harvesting, furlough men who have been drafted from farms so that they may return and complete the farm work of the season. This would apply, of course, only to men still in the United States.

"3. Import farm labor where possible.

"4. Recognize that while to a great extent farming is now a mechanized undertaking requiring men, nevertheless much farm work, particularly harvesting, can be done by boys under military age and also by girls of high school age.

"5. Enlist in solving the problem such organizations as the Boy Scouts and the Girl Scouts, and other youth organizations."

Turning to industry, the report suggested a three-fold course of voluntary action involving management, labor and government.

Among the suggestions to industry were: Greater employment of women, stop retiring employees, recalling retired employees and suspending rules against hiring married women.

The report said that organized and unorganized labor could do much to help the manpower situation by reducing absenteeism, eliminating featherbed and make-work rules, reducing extortionate union fees, and by not using the war emergency for slipping over social reforms.

As to some things which the Government can do to help industry, the report suggested more consultation with industry and less high-sounding speeches, restricting unnecessary governmental activities, minimizing the number of questionnaires and staying within the law.

The report was signed by Mr. Montague, the Chairman, and the following other members of the Special Committee on Manpower Legislation: Leon O. Head, H. Boardman Spalding, James Tanham and George E. Warren.

Harris, Upham To Admit

Richard S. Perkins will be admitted to partnership in Harris, Upham & Co., 14 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, as of today. Mr. Perkins in the past was a partner in the firm.

Postpone Rollins Hearing

The hearing ordered by the Securities and Exchange Commission to determine whether the broker-dealer registration of E. H. Rollins and Sons, Incorporated and Walter Cecil Rawls, or either of them, should be revoked or suspended, has been postponed by the Commission to March 22, 1943 at the request of the counsel for E. H. Rollins & Sons, Inc.

Telegraph Merger Bill Signed By President

The bill to permit the merger of the Postal Telegraph Co. and the Western Union Telegraph Co. was reported signed by President Roosevelt on March 8. Final Congressional approval came on Feb. 22 when the Senate, by a vote of 42 to 17, adopted the conference report, which the House had agreed to on Feb. 19.

Under the legislation, a consolidation of the two companies is permitted if they reach an agreement to which the Federal Communications Commission assents. As approved, the bill carries job security provisions for employees affected by the merger.

The Senate first approved the bill on Jan. 25, by a 70 to 10 vote, and the House passed an amended measure on Feb. 10, by a standing vote of 201 to 56.

In Associated Press accounts from Washington Feb. 22, it was stated:

Senator McFarland (Dem.) of Arizona told his colleagues that the Reconstruction Finance Corporation had advanced about $9,000,000 to keep the Postal going, and asserted that the company's current monthly loss is around $400,000.

"The nation cannot afford to lose the telegraph service capacity represented by the facilities of that system," Senator White of Maine declared.

Senator Langer (Rep., N. D.) argued that approval of a merger would "place the public at the mercy of a monopoly."

Senator Aiken (Rep., Vt.) termed it "unsound, unwise, special privilege legislation," while Senator Hawkes (Rep., N. J.), attacked conditions of the merger in a statement read in his absence by Senator Taft (Rep., Ohio).

The same advices stated:

"The principal point of difference between the House and Senate versions involved job security. Under the compromise, senior employees (those employed before March 1, 1941) may not be discharged, except for cause, for four years after the merger. Junior employees hired since March 1, 1941, may either be retained the same length of time after the merger as they had been employed before, or they may be dismissed with one month's severance pay for each year employed."

Price Of Newsprint Increased $4 A Ton

Joint announcement of an increase of $4 a ton in the price which American and Canadian producers may charge and American and Canadian consumers may pay for standard newsprint paper was made on Feb. 27 by the Office of Price Administration and the Canadian Wartime Prices and Trade Board.

The increase, first in five years, became effective March 1 and brings the new "port" ceiling price to $54 per ton, with zone prices adjusted accordingly.

The OPA announcement further said:

"The price increase of $4 a ton authorized by OPA has been the subject of extended conversations between that agency and the Wartime Prices and Trade Board of the Dominion of Canada.

"The agencies of the two governments have agreed on a $4 increase at this time. However, on the strong representations of the Canadian Government officials that $4 does not fully reflect the increased costs of the Canadian industry, it was further agreed by the two agencies that the increase, which is substantially smaller than has been requested by the Canadian Government, would not prejudice further review of the price situation as between the two agencies on a subsequent date.

"According to Prentiss M. Brown, Price Administrator, the advance is necessary because the newsprint industry can no longer absorb the increased costs which war conditions have brought about. Woods operations and costs of transportation have risen, and water-borne shipments have decreased, with the result that the newsprint industry's position has deteriorated further. Nine of the thirteen United States newsprint manufacturers are operating at a loss.

" 'Newsprint is one of the few major commodities that has not increased in price since the war broke out in 1939,' Administrator Brown stated. 'Ever since that time, and even more in the past year, newsprint transportation and production costs have risen sharply with the result that a large segment of the industry is losing money on every ton of newsprint delivered, while the profits of those companies which still are operating in the black are shrinking rapidly.

" 'The increase, in so far as the American industry is concerned, is clearly one which is in strict conformity with the Emergency Price Control Act, as amended. Cost changes since 1938 have rendered prices established five years ago no longer fair and equitable. The OPA must apply its standards, both impartially and rigorously. It must act on those standards whether, as in the vast majority of cases, it involves the denying of price increases or, as in the much rarer instances, it involves granting a price increase, where cost changes have rendered the situation of an industry genuinely intolerable.

" 'The decision to permit a price rise of $4 a ton has been reached only after the most careful study and after extensive discussion with newsprint producers and with particularly close consideration of the problems of all branches of the publishing industry. In the light of all evidence, however, no other course is possible without seriously impairing the operations of an important industry and jeopardizing the supply of newsprint.' "

Rural Banks Could Aid Treasury Financing If Free Of Govt. Competition

Incident to the Treasury's Victory Loan Drive in April, Secretary Morgenthau on Feb. 16 at his press conference expressed the belief that rural banks could be "more helpful" in the Treasury's financing operations if they were not subjected to government competition in farm loans. Associated Press accounts from Washington reporting this added:

"He said that representatives of some 6,000 to 7,000 rural banks had complained of competition from a Department of Agriculture credit agency, and added that he believed their demands were 'reasonable.'

"They are in business to make money, and I think they should be given first crack at these farm loans," Mr. Morgenthau said.

The Secretary added that he believed the rural banks would be in a "happier frame of mind" and better able to cooperate with the Treasury's financing campaigns if their request were granted.

Manual On Organizing Financial Library

The first manual ever to be issued describing the organization of a financial library is currently being prepared by the Financial Group of the Special Libraries Association under the chairmanship of Roberta Herriott, Librarian of the Chase National Bank in New York City. Designed to apply to all types of financial institutions both large and small—banks, brokerage firms, investment houses, accounting firms, etc.—this booklet will include information as to the role of the library in the organization, suggested physical layout and equipment, the collection and handling of the various types of material, service to the organization, budget and financial reports, and personnel.

The manual is expected to prove useful both to the organization with no library which contemplates installing such a service and to the institution which now has such a department but is desirous of improving its operation. Although the manual is not expected to be off the press for another year, anyone interested in obtaining information regarding the procedure involved in setting up a library is requested to get in touch with Miss Herriott.

Begin Point Rationing Of Processed Foods

Point rationing of processed foods was instituted throughout the country on March 1 and the "freeze" on sales of more than 200 kinds of canned, bottled, frozen and dried fruits, vegetable juices and soups was lifted.

All retail sales of these foods had been suspended at midnight on Feb. 20 and the registration of the entire civilian population for War Ration Book Two took place during the week of Feb. 22-27. These books are required for the purchase of rationed foods under the new point rationing system. It was estimated by an official of the Office of Price Administration that about 125,000,000 ration books were issued during the week.

The official point values for the many food items covered by the regulation were disclosed by the OPA on Feb. 22 and indicated that civilians will have to do with less than half of the amount of canned and processed foods consumed last year.

The number of points alloted to each individual in March totals 48, with each purchase "costing" a specified number of points. The point values differ according to the relative scarcity of the various foods and also according to the size of the container, but every item has the same point value in every store in the country.

In announcing the point values, Price Administrator Prentiss M. Brown said that the scant ration was due to heavy demands of the armed forces and for lend-lease and the desire to spread the present supply and all of next year's supply from March, 1943, through September, 1944.

The eight-day "freeze" period on sales of rationed foods was ordered by the OPA to permit storekeepers to replenish their stocks and to acquaint themselves with the official table of point values.

In an effort to stop the sharp price advances in fresh vegetables, the OPA on Feb. 22 announced emergency price ceilings on fresh tomatoes, snap beans, carrots, cabbage and peas. The ceilings for these commodities, effective Feb. 23 for 60 days, limit all dealers, except growers, to the highest price charged between Feb. 18 and 22.

The OPA on Feb. 24 added lettuce and spinach to the price ceiling list, fixing the highest price charged between Feb. 20-24 as the ceiling.

The temporary price-ceilings in fresh vegetables will be replaced later by permanent ones after consultation with the trade. Prior to this action, the OPA pointed out that white potatoes, onions and dried beans were under price curbs, as were citrus fruits.

In another move designed to stop heavy consumer "hoarder" buying, the OPA on Feb. 17 suspended sales of canned meats and canned fish until the start of meat rationing, expected to begin in 60 days. The order was necessary, it was said, because sales had threatened to reduce supplies of these items to dangerously low levels.

Previous reference to canned goods' rationing was mentioned in these columns Feb. 11, page 584.

President Directs WPB To Launch Program For More Lumber Output

President Roosevelt directed the War Production Board on Feb. 26 to launch a program to stimulate production of lumber and other forest products for war and essential civilian needs.

The program, the White House said, is designed to aid producers, especially small operators, to overcome wartime difficulties and step up "lagging production . . . to the fullest possible extent."

United Press Washington advices reported the following:

Mr. Roosevelt, it was announced, has shelved proposals for a special "Forest Products Service" and similar organizations in favor of a program to be inaugurated by WPB in cooperation with the Department of Agriculture's Forest Service "to attain the same result more simply and economically."

Under the adopted plan, it said, field expeditors will advise producers "on the ground" of the specific types of forest products most urgently needed, and will assist in obtaining contracts for the production of logs and lumber. Producers will be enabled to secure "adequate financing, primarily through private sources," it said, and the expeditors will aid in overcoming the "somewhat complicated procurement and other procedures which are inevitable in total war and which are disheartening to many small operators."

The White House made public letters Mr. Roosevelt addressed to WPB Chairman Donald M. Nelson and Agriculture Secretary Claude R. Wickard explaining his rejection of the "Forest Products Service" plan.

His letters cautioned that steps should be taken "to prevent destructive forest practices" that would waste the nation's forest resources needed for the future.

Celanese* YARNS

CELANESE CORPORATION OF AMERICA

LUMARITH*

AND SUBSIDIARY COMPANIES

Condensed Consolidated Balance Sheet

December 31, 1942

ASSETS

Current Assets:		
Cash with Banks and on Hand		$17,608,803.68
U. S. Government Obligations (quoted market value $1,923,536.19)		1,913,736.19
Trade Accounts Receivable, less reserves		8,510,238.15
Other Accounts and Advances and Interest Receivable.		309,043.67
Inventories (Raw Materials, Work in Process, Finished Goods and Supplies)—at cost or less, not in excess of market		10,209,120.85
Total Current Assets		38,550,942.54
Post War Refund of Federal Excess Profits Tax, less $285,000.00 deductible from current tax liability		625,000.00
Notes and Accounts Receivable—Deferred, less reserve		480,933.53
Investments—at cost		743,972.13
Land, Buildings, Machinery and Equipment (at cost except as to Factory Site stated at $200,000.00 being amount established in 1922).	$81,480,139.14	
Less Reserves for Depreciation and Amortization	22,777,474.79	58,702,661.35
Prepaid Expenses and Deferred Charges:		
Debt Discount, Premium and Expense, less amount amortized	2,761,291.07	
Research and Experimental Expenses, less amount amortized	1,186,712.60	
Insurance Premiums, Taxes and Other Prepayments	336,830.58	4,287,837.25
Patents and Trade-marks—at nominal amount		1.00
		$103,391,350.80

LIABILITIES

Current Liabilities:		
Trade and Other Accounts Payable		$ 2,084,475.67
Accrued Liabilities (including $12,257,254.14 Federal taxes on income, less $12,010,000.00 U. S. Treasury Tax Notes).		2,618,956.13
Dividends Payable January 1, 1943		594,882.25
Total Current Liabilities		5,298,314.05
3½% Debentures, due July 1, 1962 (of the amount outstanding at December 31, 1942, $25,539,000.00 is to be retired by January 1, 1962 in increasing amounts and at six month intervals, which at the company's option need not commence until January 1, 1946 because of anticipation of sinking fund requirements)		34,289,000.00
Reserves		3,197,792.34
Capital Stock:		
Authorized:		
Prior Preferred—250,000 shares, par value $100.00 per share. 7% Second Preferred—148,179 shares, par value $100.00 per share.		
Common—1,750,000 shares without par value.		
Issued and Outstanding:		
7% Cumulative Series Prior Preferred—164,818 shares	$16,481,800.00	
5% Cumulative Series Prior Preferred—37,710 shares	3,771,000.00	
7% Second Preferred — 148,179 shares	14,817,900.00	
Common—1,376,551 shares	1,376,551.00	36,447,251.00
Surplus:		
Capital	8,992,451.13	
Earned	15,166,542.28	24,158,993.41
		$103,391,350.80

Condensed Consolidated Statement of Income and Earned Surplus for Year 1942

Net Sales		$86,145,992.36
Cost of Goods Sold (including Depreciation $3,841,888.14)		57,874,969.42
Gross Operating Profit		28,271,022.94
Selling, General and Administrative Expenses		7,318,317.97
Net Operating Profit		20,952,704.97
Income Deductions (including interest of $990,910.36)—net		1,204,194.26
Net Income before Federal Taxes on Income and Contingencies		19,748,510.71
Federal taxes on income (including $9,100,000.00 Excess Profits Tax Gross and less Post War Refund $910,000.00)		11,650,000.00
Net Income before Contingencies		8,098,510.71
Provision for Contingencies		1,000,000.00
NET INCOME		7,098,510.71
Earned Surplus (since December 31, 1931) at beginning of year		13,200,662.57
		20,299,173.28
Deduct:		
Cash Dividends:		
Common Stock—$2.00 per share	$2,753,102.00	
7% Cumulative Series Prior Preferred—$7.00 per share	1,153,726.00	
5% Cumulative Series Prior Preferred—$5.00 per share	188,550.00	
7% Second Preferred—$7.00 per share	1,037,253.00	
Total Dividends		5,132,631.00
Earned Surplus at end of Year		$15,166,542.28

The foregoing balance sheet and statements are taken from the annual report, dated February 25, 1943 to stockholders of Celanese Corporation of America, and should be read in conjunction with such report which contains the certificate of Messrs. Peat, Marwick, Mitchell & Co., Auditors, attached to such financial statements. A copy of the report to stockholders may be had upon application to the Corporation. The said balance sheet, statements, and report are not intended to constitute an offer, solicitation of offer, representation, notice, advertisement, or any form of a prospectus in respect of any security of Celanese Corporation of America.

Summary of 1942 Operations

A NEW HIGH RECORD in volume of business was set in 1942 for the consolidated operations of Celanese Corporation of America. Net income before taxes likewise reached a new peak.

After providing for Federal income and excess profits taxes, and after providing $1,000,000 as a reserve for contingencies, consolidated net income for 1942 was $7,098,511 compared with $7,105,685 in 1941, equal to $3.42 per common share on the basis of shares outstanding at the close of 1942.

Federal, state and local taxes reached a new peak of $13,310,517 for 1942, amounting to $9.66 per common share, as against $8,394,279 in 1941. Provision of $11,650,000 was made for Federal taxes on income for 1942 as against $6,866,597 in the preceding year.

CELANESE* IN THE POST-WAR WORLD

CELANESE CORPORATION OF AMERICA, which is now supplying many of the plastic and textile needs of the armed forces, is, at the same time, actively engaged in intensive research and planning for the many products that the post-war era will demand. For example, Lumarith,* best-known of the Celanese plastics, is destined to play an immensely important part in industry. Now used in aircraft, gas masks and other vital war needs, it will, in the future, be in even greater demand in all the fields of peace time living.

In electricity, Lumarith has many applications such as insulation for wiring, for telephone instruments, for parts in radio and television sets. Its wide use is forecast as insulation for homes, and in articles for every room in the house. Many leading automobile manufacturers have for years used large quantities of Celanese plastic parts. After the war, ever wider use of Celanese plastics by the peace time automotive and aviation industries is indicated. Another important application is packaging. Foods, medical supplies, cosmetics, protected by transparent Lumarith, will reach the consumer safe from mold, grease and germs. Toothpaste and other products are already being sold in Lumarith plastic tubes.

In the field of textiles, increasing demand is being shown for the favorite Celanese fabrics, for many years widely used in women's apparel, in men's wear, and in home decoration. An important new development is hosiery of Celanese yarn, now being manufactured under leading brand names. Celanese Fortisan,* the strongest yarn known, is certain to be extensively used in post-war fabrics where great strength and lightness are required, while Celanese staple fibre is just beginning to come into its own in such applications as blankets, comforts and sleeping bags.

Already proven in value, Celanese plastics and textiles, as well as the other products of Celanese research, will increasingly fill the needs of peace time industry.

Currently published, an illustrated booklet, "*Celanese* in the Post-war World*," descriptive of the role of Celanese plastics and textiles in post-war living, will be sent on request.

Under a ruling of the Federal Trade Commission, CELANESE yarn is classified as RAYON.

Executive and Main Sales Offices: 180 MADISON AVENUE, *New York, N. Y.*

*Reg. U. S. Pat. Off.

Calendar of New Security Flotations

OFFERINGS

GALVIN MANUFACTURING CORP.

Galvin Manufacturing Corp. has filed a registration statement for 40,000 shares of common stock, par value $1 per share. The shares are issued and outstanding and are being sold for the account of certain stockholders.

Address—4545 Augusta Boulevard, Chicago, Illinois.

Business—Company's normal business is the manufacture and sale of radio receiving sets. Beginning with the year 1942 more and more of company's production capacity was devoted to the manufacture of equipment for various arms of the U. S. Government. In May, 1942, the production of radio receiving sets for civilian use was stopped entirely.

Underwriting—Hickey & Co., Inc., and Paul H. Davis & Co., both of Chicago, are named as underwriters of 20,000 shares each. By an agreement entered into between the underwriters, Paul V. Galvin and Harris Trust & Savings Bank, executors of the estate of Lillian A. Galvin, deceased, the underwriters have agreed to purchase the shares being registered at $7 per share.

Offering—Public offering price is $8.50 per share.

Proceeds—To selling stockholders.

Registration Statement No. 2-5095. Form A-2 (2-15-43).

Offered March 10, 1943, at $8.50 per share by Hickey & Co., Inc., and Paul H. Davis & Co.

PHILLIP MORRIS & CO., LTD., INC.

Philip Morris & Co., Ltd., Inc., has filed a registration statement for $6,000,000 20-year 3% debentures, due March 1, 1963.

Address—119 Fifth Avenue, N. Y. City.

Business—Engaged in the business of manufacturing and selling cigarettes and smoking tobacco.

Offering—Public offering price will be supplied by amendment.

Underwriting—Underwriting group which is headed by Lehman Brothers and Glore, Forgan & Co., includes: Bear, Stearns & Co.; A. G. Becker & Co., Inc.; Branch, Cabell & Co.; Alex. Brown & Sons; Frank B. Cahn & Co.; Davenport & Co.; R. S. Dickson & Co., Inc.; Dillon, Read & Co.; Dominick & Dominick; Emanuel & Co.; Goldman, Sachs & Co.; Granbery, Marache & Lord; Hallgarten & Co.; Harriman Ripley & Co., Inc.; Ira Haupt & Co.; Hayden, Stone & Co.; Hemphill, Noyes & Co.; Hirsch, Lilienthal & Co.; Hornblower & Weeks; Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.; W. L. Lyons & Co.; Mackubin, Legg & Co.; Laurence M. Marks & Co.; Mason-Hagan, Inc.; Merrill Lynch, Pierce, Fenner & Beane; Paine, Webber, Jackson & Curtis; Reinholdt & Gardner; Riter & Co.; Schwabacher & Co.; Scott & Stringfellow; I. M. Simon & Co.; Stein Bros. & Boyce; Stern Brothers & Co.; Stifel, Nicolaus & Co., Inc.; Swiss American Corp.; Union Securities Corp.; G. H. Walker & Co.; Watling, Lerchen & Co.; Wertheim & Co.; and White, Weld & Co.

Proceeds—During the nine months ended Dec. 31, 1942, company's cash requirements have substantially increased, due in part to rise in inventories. During the period company financed its needs for cash in part by bank loans which at Dec. 31, 1942, amounted to $8,500,000, and since Dec. 31, 1942, have increased to $12,000,000. Net proceeds from the sale of 105,176 shares of common stock registered by company last month and which are being offered to stockholders at $62 per share will be applied to the reduction of these bank loans. Net proceeds from sale of debentures will be applied, to the extent required, to the payment of the unpaid balance of these loans, and balance added to general working capital.

Registration Statement No. 2-5102. Form A-2. (2-26-43).

Offered March 9, 1943, at 103¾ and interest by Lehman Brothers, Glore, Forgan & Co. and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, MARCH 11

WELSBACH ENGINEERING & MANAGEMENT CORP.

Welsbach Engineering & Management Corp. has filed a registration statement with the SEC for $493,000 collateral trust 5% ten-year sinking fund bonds.

Address—1500 Walnut St., Phila., Pa.

Business—Registrant is a holding and managing company which owns all the stock and manages its subsidiaries. These subsidiaries, in part, are engaged in the installation and maintenance of street lighting systems, gas or electric, in approximately 37 cities and communities in New England, Middle Atlantic and Mid-Western States, and in general electric construction work.

Underwriting—Barrett Herrick & Co., Inc., New York City, is named principal underwriter.

Offering—Bonds are to be offered to the public at 83% plus accrued interest from Jan. 1, 1943, to date of delivery.

Proceeds—The estimated proceeds from the sale of the bonds, after deducting underwriting commissions and expenses, will be $345,100. At present the corporation has outstanding $493,000 face amount of 6% collateral trust sinking fund bonds, all of which are held by the United Gas Improvement Co. The UGI has granted Welsbach an option to purchase all of said outstanding bonds exercisable on or before May 15, 1943, for the sum of $345,100 with interest from Jan. 1, 1943. The estimated net proceeds resulting from the sale of the bonds now being registered will be applied to the exercise of this option.

Registration Statement No. 2-5099. Form A-2 (2-20-43).

SUNDAY, MARCH 14

KNUDSEN CREAMERY CO. OF CALIFORNIA

Knudsen Creamery Co. of California has filed a registration statement for $500,000 first mortgage serial bonds, bearing interest of 4½% and maturing serially from March 1, 1944, to March 1, 1955.

Address—1974 Santee St., Los Angeles, Cal.

Business—Engaged in the general business of buying and selling milk and its derivatives; processing and marketing milk and products derived from milk; manufacturing, buying and selling butter, cheese, cream, buttermilk, cottage cheese, curds, whey, etc.

Offering—As soon as practicable after the effective date of the registration statement. Price to public will be filed by amendment.

Underwriting—Dean, Witter & Co., Los Angeles, Cal., is named as the principal underwriter.

Proceeds—Approximately $275,228 of the net proceeds will be devoted to the redemption of the entire issue of the company's first mortgage convertible 5½% sinking fund bonds. Such bonds are to be called for redemption on May 1, 1943, at 102½ plus accrued interest. Balance of net proceeds will be added to company's working capital.

Registration Statement No. 2-5100. Form A-2. (2-23-43).

WEDNESDAY, MARCH 17

NEW YORK STOCKS, INC.

New York Stocks, Inc., has filed registration statement for 1,000,000 shares of special stock, par value $1 per share.

Address — 15 Exchange Place, Jersey City, N. J.

Business—Investment trust.

Underwriting — Hugh W. Long & Co., Inc., is underwriter.

Offering—The corporation has presently authorized for issuance 21 series of special stock, each representing a separate industry or business. Government bonds series is not presently offered for sale to the public, but is available for issue only on conversion of outstanding special stock of other series. Offered to the public at market prices.

Proceeds—For investment.

Registration Statement No. 2-5101. Form S-1. (2-26-43).

SATURDAY, MARCH 20

SUNNY COURT BUILDING CORP.

Lucius Teter, Frank M. McKey and Edward L. Vollers, voting trustees, have filed a registration statement with the SEC for voting trust certificates for 1,430 shares of common stock of Sunny Court Building Corp.

Address—Of trustees, 135 South LaSalle Street, Chicago.

Business—Apartment building.

Offering—As soon as practicable after registration statement becomes effective.

Purpose—The securities are presently subject to a voting trust agreement which expires April 18, 1943. It is proposed to extend the agreement, as amended, to April 18, 1953.

Registration Statement No. 2-5103. Form F-1 (3-1-43).

SUNDAY, MARCH 21

AMERICAN VITRIFIED PRODUCTS CO.

American Vitrified Products Co. has filed a statement covering the registration of $857,500 first mortgage 5% sinking fund bonds of Universal-American Corporation, the continuing company in a proposed merger.

Address—1500 Union Commerce Building, Cleveland, Ohio.

Business—Manufacture and sale of sewer pipe, segment forms, flue lining, wall coping, hot top brick, drain tile, joint compound, chemical stoneware and other clay and cement products.

Underwriting—S. K. Cunningham & Co., Inc., Pittsburgh, has been retained by American to assist in the solicitation of securities in the proposed merger.

Offering—Plan proposes merger of Universal Sewer Pipe Corp. into American Vitrified Products Co., with the continuing company to be known as Universal-American Corp. Universal owns 70,000 common shares of American out of 177,029 common shares outstanding. In addition to the bonds registered, Universal-American will be authorized to issue 250,000 shares of the par value of $2 each. Proposed agreement of merger which has been approved by the boards of both companies provides for the following exchange of securities:

First mortgage bonds of Universal-American will be exchanged for preferred shares of American on the basis of $50 face amount of bonds for each preferred share of American. One share of Universal-American will be exchanged for each common share of American; and 1¾ shares of Universal-American for each class A and each class B share of Universal. Holders of first mortgage 6% sinking fund bonds of Universal will be asked to exchange their bonds for a like face amount of first mortgage 5% sinking fund bonds of Universal-American upon completion of the merger. None of the first mortgage bonds will be offered or sold for cash.

Purposes—For consolidation.

Registration Statement No. 2-5104. Form S-1 (3-2-43).

WEDNESDAY, MARCH 24

BURTONITE CORPORATION

Burtonite Corporation has filed a registration statement for 10,000 shares of 7% preferred stock and 15,000 shares of common, no par.

Address—2500-22 Fisher Street, Fort Worth, Texas.

Business—Manufacture of face brick.

Offering—Present offering consists of 2,000 units, each unit consists of four shares preferred and one share common, price per unit is $10.

Underwriting—None. Distribution is to be made by direct sales by the corporation of its treasury stock.

Proceeds—Expansion of plant facilities, installation of additional equipment and for working capital.

Registration Statement No. 2-5105. Form S-2 (3-5-43).

SATURDAY, MARCH 27

MASTER ELECTRIC CO.

Master Electric Co. has filed a registration statement for $3,000,000 10-year sinking fund debentures due March 1, 1953. Interest rate will be filed by amendment. Sinking fund provides for retirement of total of $1,800,000 of issue by Sept. 1, 1952.

Address—126 Davis Ave., Dayton, Ohio.

Business—Manufacture and sale of electrical products, including motors and generators, various types of industrial equipment generally involving the use of electric motors.

Underwriting—McDonald-Coolidge & Co., Cleveland, Ohio, is named as principal underwriter.

Offering—Offering price to public will be filed by amendment.

Proceeds—Of the proceeds $500,000 will be used to reimburse partially the company's treasury for payment of the first quarter of 1942 Federal income and excess profits taxes, which payment amounted to approximately $872,000, and the balance for the purchase of U. S. Treasury tax anticipation notes.

Registration Statement No. 2-5106. Form S-1 (3-8-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

Amendment filed Jan. 28, 1943, states that Abraham Dickenstein may be an underwriter

Amendment filed Feb. 20, 1943, to defer effective date.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal filed March 1, 1943.

Amendment filed Feb. 19, 1943, to defer effective date

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage Bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2 (9-17-41)

Amendment filed Feb. 26, 1943, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Registration Statement effective 11 a.m. (EWT) on Dec. 22, 1942, as of 5:30 p.m. (EWT) on Dec. 8, 1942.

NORTHWEST PUBLICATIONS, INC.

Northwest Publications, Inc., has filed a registration statement with SEC for $382,500 5½% subordinated debentures, due Dec. 1, 1957.

Address—55-63 East Fourth St., St. Paul, Minn.

Business—Engaged in the publication of newspapers in the cities of St. Paul and Duluth, Minn.

Offering—Under the plan of recapitalization the corporation offers a 5½% debenture in the face amount of $100 for each share of its 3,825 outstanding shares of first preferred stock together with all rights to dividends accruing thereon after Dec. 1, 1942. Under the plan of recapitalization, the holders of first preferred may deposit their exchange agreements prior to March 15, 1943, or such later date as may be determined by the corporation, but not beyond May 15, 1943. The plan shall become effective automatically, when holders of 80% of face amount of first preferred deposit their exchange agreements, or by declaration by the corporation, at its option, upon receipt of exchange agreements covering less than such 80%.

Underwriting—The corporation has not entered into any agreement providing a firm commitment for the purchase of subordinated debentures. It has entered into an agreement with Kalman & Co., Inc., Wells-Dickey Co. and Harold E. Wood & Co. to act as dealer-managers. They are to use their best efforts for a period of 60 days following the effective date of the registration statement to effectuate exchange of the securities registered for the corporation's outstanding first preferred stock.

Proceeds—Plan of recapitalization.

Registration Statement No. 2-5080. Form A-2. (12-29-42)

Registration effective 5:30 p.m. (EWT) on Feb. 25, 1943, as of 5:30 p.m. (EWT) Jan. 17, 1943.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

PINEHURST, INC.

Pinehurst, Inc., has filed a registration statement with the SEC for $250,000 first mortgage 5% bonds, due May 1, 1953.

Address—Pinehurst, N. C.

Business—Operation of a winter resort.

Offering—Pinehurst, Inc., is offering to the holders of its 6% first mortgage gold bonds due May 1, 1943, the opportunity to exchange their bonds, plus accrued interest, for first mortgage 5% bonds now registered. Exchange basis is for a like principal amount of the bonds to be offered, with adjustment in cash for accrued interest. The plan will become operative when and if, prior to May 1, 1943, holders of substantially all of the bonds of the company due May 1, 1943, shall have filed agreements, but the company reserves the right in its discretion to declare the plan operative prior to May 1, 1943, upon receipt of agreements which it may deem acceptable to it. Company reserves the right to offer for sale for cash at not less than 100% of face amount, plus accrued interest, such portion of the bonds to be offered under registration statement as may not be accepted by the holders of the old bonds. At May 31, 1942, there were $236,000 of old bonds outstanding.

Underwriting—Company has not entered into any agreement providing a first commitment for the purchase of the first mortgage 5% bonds. It will, however, enter into an agreement with Mackubin, Legg & Co., Baltimore, who may be underwriters whereby the underwriters who have aided in preparing the exchange offer and plan will use their best efforts in obtaining agreements of exchange, including the obtaining of services of other dealers, for which they will be compensated.

Proceeds—To redeem old 6% first mortgage bonds and for general funds.

Registration Statement No. 2-5079. Form A-2. (12-29-42)

Amendment filed Feb. 20, 1943, to defer effective date.

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

Amendment filed March 1, 1943, to defer effective date.

In an amendment the company fixes the amount of the proposed new issue of first mortgage bonds at $20,500,000 in place of $22,000,000 as originally filed. Company in amendment also revises its financial program so as to provide only for the issue and sale of the first mortgage bonds. The original plan provided also for the issue and sale of $2,500,000 of unsecured notes and the sale of 3,284 shares of its common stock to New England Public Service Co., parent company, at a price of $60 per share. The unsecured notes were to be sold privately. Proceeds from the sale of the first mortgage bonds which are to be sold at competitive bidding will be applied to redeem and retire company's presently outstanding bonds in the aggregate face amount of $18,929,000, pay its bank loans aggregating $1,000,000 and provide funds for working capital.

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

The company on Feb. 16, 1943, filed with the SEC amendments to its plan of recapitalization and refinancing making changes in the voting positions of the new stocks and providing for bank loans as a part of the financing instead of short term debentures.

Under the voting change the new common stock is to receive five votes a share instead of the one previously alloted. The voting power of the first preferred will be returned to one vote a share instead of the two granted originally.

The refinancing plan has been modified to substitute $6,500,000 of 3⅛% five year bank loans in place of $8,000,000 of nine year debentures. The plan to sell $52,000,000 of first mortgage bonds remains unchanged.

The bank loans would be eliminated March, 1948, under a plan calling for a $1,000,000 reduction on Sept. 1, this year; $1,000,000 on March 1, 1944, and $562,500 semi-annually until March 1, 1948.

The changes in the voting powers of the preferred and common stocks were made to meet objections of the SEC which felt under the original plan the preferred had been given excessive voting power.

The Chase National Bank will take $3,000,000 of the proposed bank loans; the Harris Trust & Savings Bank $1,000,000 and nine Seattle banks the balance.

*Amendment filed Feb. 10, 1943, to defer effective date.

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).

Amendment filed Jan. 30, 1943, to defer effective date.

THIOKOL CORPORATION

Thiokol Corporation has filed a registration statement with the SEC for 102,000 shares of common stock, per value $1 per share.

Address—780 North Clinton Ave., Trenton, N. J.

Business—Company is actively engaged in research looking to the improvement of the qualities of its existing products and to the discovery and development of additional types of "Thiokol" synthetic rubbber.

Offering—The 102,000 shares registered will be offered pro rata to stockholders after the effective date of registration at a price to be fixed by amendment.

Underwriting—On Feb. 3, 1943, the company entered into an underwriting agreement with J. G. White & Co., Inc., which provides among other things that it will amend its certificate of incorporation so that its capitalization will be 500,000 shares of common stock, par $1 per share, of which 204,000 shares will be issued to present stockholders on basis of three shares of $1 par common for each of the 68,000 outstanding shares of common without par value. The company will sell to the underwriters such common stock as are not subscribed for by stockholders at a price to be filed by amendment.

Proceeds—Net proceeds from sale of the shares will be used to increase the company's working capital. Some portion of working capital may be devoted to additional research and development.

Registration Statement No. 2-5093, Form S-1 (2-13-43).

In an amendment filed corporation fixes the price at which the 102,000 shares of new common stock are to be offered to present common stockholders at $5 per share. Offering will be on the basis of one share of new stock, $1 par, for each two shares outstanding as of Feb. 13, 1943, when company was recapitalized by the issuance of three shares of common, par $1, for each of the 68,000 shares of common without par value then outstanding.

The company has agreed to sell to J. G. White & Co., Inc., as underwriter, at a price of $5 per share, all of the 102,000 shares of common which are not subscribed for by the present stockholders. The underwriters are to be paid a fee or commission of 75 cents per share for each share taken up and paid for, and a fee of 25 cents per share as a "standby underwriting fee" on each share that is taken up by the stockholders.

Certain stockholders, including Case, Pomeroy & Co., Inc., have agreed to waive their preemptive rights to subscribe to a total of 42,558 shares, so that at least 42,558 shares will be available to the underwriters for offering to the public. The company has been informed by the Dow Chemical Co. that it does not know whether it will exercise its rights to subscribe for any shares of stock.

As of Feb. 1, 1943, Dow Chemical Co. owned 31% of the common stock, and Case, Pomeroy & Co., Inc., New York, owned 22% of the common.

Registration statement effective 3:30 p. m. EWT on March 2, 1943.

(This list is incomplete this week)

Jackson Co. Opens in NYC

Albert Jackson has formed Jackson Company with offices at 52 William Street, New York City, to engage in a securities business. Mr. Jackson in the past was an officer of Neubeck & Jackson, Inc.

Allied Chemical & Dye Corporation

To the Stockholders:

Herewith are presented the consolidated balance sheet of the Company at the close of business December 31, 1942, and the consolidated income account for the year.

Net income for the year was $20,457,601.

Results of the year's operations are set forth in the following short form:

The Company received from operations		**$244,463,723**
which was disposed of as follows:		
Goods and services purchased from others	**$130,112,409**	
Replacement of worn-out tools (depreciation and depletion) and contingencies	**18,527,652**	
Wages and salaries paid to labor	**48,289,591**	
Taxes	**30,448,296**	
Wage payment for tools (assets) used by labor to produce operating receipts	**17,085,775**	
Interest and dividend receipts		**3,371,826**
Total Receipts		**$247,835,549**

The volume of business in dollars for the year 1942 was about 6% greater than in 1941. At the end of the year hourly wage rates were 18% higher than in 1941 and 64% higher than in 1929. Total taxes were equal to $13.75 per share of stock. In addition to regular dividends of $6.00 per share, the Company paid a special dividend of $1.00 per share to the stockholders on December 28, 1942.

Plant construction during the year consisted largely of increased facilities for the Company's basic products. Gross additions to property account amounted to $14,659,878. Retirements totaled $9,269,683.

Because of inevitable post-war readjustments and other uncertainties $4,000,000 was provided out of 1942 income to be added to the Reserve for General Contingencies.

Research and development work was continued on a broad scale and included projects of importance to the war program and to the post-war period.

Many of the Company's products, including nitrogen, alkalies, acids and organic compounds, are being supplied in large volume directly to Government plants and to manufacturers engaged in war work. Several of the Company's operating divisions have received the Army-Navy "E" for excellence in performance. The Company is now operating a number of large plants constructed by it for the Government's account. Construction by the Company of other plants for the Government is proceeding. Under existing legislation Government contracts may be subject to renegotiation, the effect of which, if any, on the Company's income cannot now be determined.

The Company will continue its utmost efforts to be of the greatest possible assistance toward the successful prosecution of the war and the supplying of essential civilian needs.

Respectfully submitted,
H. F. ATHERTON, *President.*

Dated, March 4, 1943.

CONSOLIDATED GENERAL BALANCE SHEET—DECEMBER 31, 1942

ASSETS		
PROPERTY ACCOUNT		
Real Estate, Plants, Equipment, Mines, etc., at cost		**$265,135,547.71**
INVESTMENTS		
Sundry Investments at cost or less		**32,261,604.51**
CURRENT ASSETS		
Cash	$43,241,635.66	
U. S. Government Securities at cost	35,648,906.25	
Marketable Securities at cost	15,276,512.50	
Accounts and Notes Receivable—less Reserves	19,181,048.22	
Inventories at cost or market whichever is lower	26,803,857.95	
		140,151,960.58
DEFERRED CHARGES		
Prepaid Taxes, Insurance, etc.		**2,036,147.07**
OTHER ASSETS		
Patents, Processes, Trade Marks, Goodwill, etc.		**21,305,942.61**
Total		**$460,891,202.48**

LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$6,851,730.88	
U. S. Government Contract Advances	707,163.92	
Wages Accrued	650,042.80	
Taxes Accrued	28,396,772.32	
		$36,605,709.92
RESERVES		
Depreciation, Obsolescence, etc.	$131,502,259.15	
Investments and Securities	40,000,000.00	
General Contingencies	17,413,115.67	
Insurance	2,465,329.90	
Sundry	2,080,485.11	
		243,461,189.83
CAPITAL STOCK AND SURPLUS		
Common Stock, without par value, basis $5. per Share Issued 2,401,288 Shares	$12,006,440.00	
Capital Surplus	101,037,235.00	
Further Surplus	93,617,928.21	
Total Capital Stock and Surplus	$206,661,603.21	
Deduct Treasury Stock	25,837,300.48	
		180,824,302.73
Total		**$460,891,202.48**

U. S. Government Securities include Treasury Tax Savings Notes with principal value of $24,000,000; other U. S. Government securities had a market value at December 31, 1942 of $11,929,836. Marketable Securities consisting of 150,500 shares of common stock of the United States Steel Corporation and 270,000 shares of capital stock of the Air Reduction Company, Inc., listed on the New York Stock Exchange, had a market value at December 31, 1942 of $17,843,625. Treasury Stock consists of 187,189 shares of common stock carried at cost. Post-war U. S. and Canadian tax credits totaling $669,353 are included in Sundry Investments.
Further Surplus consists of $71,996,083 earned surplus accrued to the Company since its organization and $21,621,845 accrued to its subsidiary companies prior to the Company's organization.

CONSOLIDATED INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1942

Gross Income (other than dividends and interest) after provision for depreciation, obsolescence, repairs and renewals, all state, local and capital stock taxes	**$45,152,357.36**	
Provision for General Contingencies	**4,000,000.00**	**$41,152,357.36**
Other Income:		
Dividends	**$2,996,099.75**	
Interest	**375,726.48**	**3,371,826.23**
Gross Income before provision for Federal Income and Excess Profits Taxes		**$44,524,183.59**
Federal Income and Excess Profits Taxes		**24,066,582.79**
Net Income		**$20,457,600.80**

SURPLUS ACCOUNT

Surplus at December 31, 1941	**$189,696,255.41**	
Net Income year 1942	**20,457,600.80**	**$210,153,856.21**
Dividends declared on Common Stock	**$16,809,016.00**	
Less: Dividends on Treasury Stock, not included in Income	**1,310,323.00**	**15,498,693.00**
Surplus at December 31, 1942		**$194,655,163.21**

Amount of Federal Income and Excess Profits Taxes is after credit of $623,207 due to reduction of intercompany indebtedness and after post-war credit of $645,072.

Allied Chemical & Dye Corporation,
New York, N. Y.

We have examined the consolidated general balance sheet of the Allied Chemical & Dye Corporation and its subsidiary companies as of December 31, 1942, and the statements of consolidated income and surplus for the calendar year then ended, have reviewed the system of internal control and the accounting procedures of the company and its subsidiary companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying consolidated general balance sheet and related statements of income and surplus present fairly the position of the Allied Chemical & Dye Corporation and its subsidiary companies at December 31, 1942, and the results of their operations for the calendar year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 3, 1943

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Our Reporter On "Governments"

By S. F. PORTER

You might as well resign yourself to a dull, unrewarding market between now and the early part of April. . . . This is a pre-financing period "with a vengeance." . . . There's no mystery, no surprise, no speculative twist to this waiting spell. . . . We know what we're facing. . . . We know $13,000,000,000 will be the minimum, $15,000,000,000 to $16,000,000,000 will be the hoped-for goal. . . . We know the deal is slated for April 12 with the intention of closing of the books in three to four weeks. . . . We know we'll have another "on sale" bond, a shorter-term security, and all-out financing sales effort, a unified command, a supported market. . . . We know what's ahead, in short, and the plan is to make sure we don't get any shocks in one form or another. . . . So it's a pre-financing period "with a vengeance." . . . And if anything happens to the market between now and April 12, it will be in the line of undesirable developments rather than otherwise. . . .

Why was the financing date delayed until April 12? . . . That seems to have caused some surprise around New York, but the explanation isn't hard to find. . . . Main reason for the postponement beyond the first of April was Secretary Morgenthau's wish to give Congress sufficient time to settle the major details of the tax problem before the multi-billion dollar borrowing was put on the market. . . . As long as big investors and corporations are as in the dark as they are now about pay-as-you-go and other prime tax puzzles, there's certain to be a more-than-necessary reluctance to buy Government securities on the biggest scale possible. . . . As long as we must watch the headlines daily to know how we're going to fare on our 1942-1943 tax bills, we may hold back on buying until it hurts. . . .

Thus the delay until April 12, in the hope that Congress will have gone through the committee hearing stage on major issues by then and we'll have some idea of how we stand—even if we don't know the details of legislation. . . .

Surely, we must be given clear information on doubling-up of taxes. . . . And, surely, the House and Senate are aware that success of the April operation rests heavily on tax clarification before the selling campaign gets under way. . . .

THE "ON SALE" BONDS

The Victory 2½s are acting well, holding up beautifully. . . . Latest quotation on the 1968/63 maturity is 100.9, to yield 2.48% to call date, a nice, comfortable premium for an issue about to be placed under pressure by another selling drive. . . .

One point that hasn't been brought out and which is of significance to all of us is that the Treasury may run into considerable inter-market switching if it reopens the Victory 2½s. . . . Holders of the 2½s, for instance, may sell these at 100 and a fraction and get back into the issue with additional purchases. . . . Thus freezing a profit in the 2½s and making a good showing on purchases at the same time. . . . Fact that the 2½s are coupon bonds and thus may be bought and sold without difficulty indicates this is a more than theoretical objection to reopening the books on exactly that bond. . . .

Another point is that already there are $2,831,000,000 of these outstanding, and that's a big enough maturity for any Treasury to have to meet in any one month. . . .

Thus, best opinion now is that a bond almost similar to the 2½s but carrying a slightly longer maturity will be offered. . . .

Since the 2½s of 1968/63 are due Dec. 15, and thus any lengthening of maturity must necessitate placing a new year on the bond, the chances are we'll have a 1969/64 bond in April. . . .

Say, a 1969/64 bond due in March or April. . . .

Maturity would be lengthened only three to four months, coupon would be the same and features generally would be identical, so the two loans would be different only in the most minor detail—the slight change in maturity. . . . You still may judge your position and buying power by studying the outstanding 2½s and deciding whether you want this, but selling will be easier for the managers. . . .

Then we would have (1) a "tap" 2½ due in 1967/62; (2) an "on sale" 2½ due in 1968/63, and (3) an "on sale" 2½ due in 1969/64. . . .

As for the rest of the issue, story is still that we'll get 2s due in the 10-year limit and that the variety of offerings will be cut down for the sake of simplification. . . .

INSIDE THE MARKET

Latest report from informed sources in New York is that insurance companies switched out of close to $400,000,000 of tax-exempt Governments last month and into a similar amount of taxables. . . .

That's where the supply of tax-exempts is coming from in large part. . . . Savings banks, also now-and-then sellers, but not on nearly so large and impressive a scale. . . . Excellent opportunity for investors who can use tax-exemption to pick up these outstanding securities and hold for taxation purposes and for appreciation as scarcity value becomes more and more obvious with the passing of months (and maturities). . . .

Federal Reserve Open Market Committee sprung a surprise on New York dealers a few days ago when it indicated to several applicants that it wasn't interested in taking over about $30,000,000 of discount bills the dealers had purchased on the weekly sale date at the usual "fixed" rate of slightly over ⅜ of 1%. . . . Federal Open Market Committee's unconditional guarantee some months back was that it would take all bills offered at that set rate, whenever sellers wished. . . . Purpose, of course, was stabilization of market with view to easing reserve position of holders whenever essential. . . . This time, as the story goes, the Federal told dealers there was no need for transfer of bills to the Open Market Committee because banks are expected to enter the market in the next few weeks as fairly large buyers of bills. . . .

That may be and probably will be. . . . But dealers were unpleasantly surprised and shocked at what seemed to them a definite break in a guarantee. . . . Regardless of result, that is the interpretation. . . .

Whole emphasis these days is on organization of the bond drive. . . . Little doing in the way of market interest or on speculative-investor end. . . . Unification of forces selling bonds hailed on all sides as excellent move, and one that had to be, if April operation is to be spread all over the country and "decentralized." . . .

On latest news of unification, there was general surprise over choice of W. M. Robbins, formerly President of General Foods Sales Co., as head of U. S. Treasury War Finance Committee. . . . Not because of criticism of Robbins, who has a national reputation as a specialist in mass sales and distribution methods. . . . He's well liked and respected. . . . But because natural choice should have involved a man specializing in securities sales. . . .

Development also hailed as excellent is "merging" of sales of Series E war bonds with rest of the issues for duration of April drive. . . . Move will eliminate much confusion which arose in December. . . .

Price level of 2s of 1955/51, currently selling at 100.6, indicates dating of next 2% issue, according to informed bond dealers. . . . Might be a 1955/53 bond or a straight 1953 maturity. . . . Either one would be widely bought, it is said. . . .

Stephenville N&S Tex. 5s, '40

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W. M. Fuller To Be W. E. Hutton Partner

CINCINNATI, OHIO—W. Maxwell Fuller will become a partner in W. E. Hutton & Co., First National Bank Building, members of the New York Stock Exchange, and other leading national exchanges, as of March 18. Mr. Fuller has been with W. E. Hutton & Co. for some time. In the past he was Cincinnati manager for Dominick & Dominick.

Mercier, McDowell & Dolphyn Is Formed

DETROIT, Mich.—Mercier, McDowell & Dolphyn, members of the Detroit Stock Exchange, announce the opening of offices in the Buhl Building to conduct a general brokerage and investment business. Principals of the new firm are C. Edwin Mercier, George A. McDowell and Roger G. Dolphyn. Associated with them will be Clarence J. Wass, George J. Elder, Harold C. Hern, C. William Gregory, Arthur O. Loeffler and James W. Crawford. All were formerly connected with C. G. McDonald & Co.

New Yorkers To Attend Chicago IBA Meeting

Frank M. Stanton, chairman of the New York group of the Investment Bankers Association, announced that between twenty-five and fifty local investment bankers were planning to attend the eighth annual meeting of the Central States Group in Chicago.

Among those planning to be at the Chicago meeting are: Walter Wilson, of Morgan Stanley & Co.; Percy Stewart, of Kuhn, Loeb & Co.; Harry Egley, of Dillon, Read & Co.; Irving Fish and Warren Wilson, of Smith, Barney & Co.; Walter Blaine and Kenneth Stephenson, of Goldman, Sachs & Co.; Laurence M. Marks, of Laurence M. Marks & Co.; Frank Gernon, of Carl M. Rhoades & Co.; Henry Smith, of Merrill, Lynch, Pierce, Fenner & Beane; Ralph Brent, of Eastman, Dillon & Co.; William Rex, of Clark, Dodge & Co.; Jan Hunt, of White, Weld & Co., and a number of others.

Marriner S. Eccles, chairman of the Federal Reserve Board; James MacDonnell, president of the National Trust Co., Ltd., of Toronto, and Joseph D. McGoldrick, Comptroller of the City of New York, will address the meeting.

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The Business Man's Bookshelf

Rent Control—A Graphic Presentation—Office of Price Administration Rent Department, Program and Analysis Office—paper.

Pittsburgh Railways Co. Offers Good Possibilities

The bonds of Pittsburgh Railways Company offer good speculative possibilities, according to a comprehensive study prepared by Price, McNeal & Co., 165 Broadway, New York City. Earnings of Pittsburgh Railways, which has been in reorganization since 1938, have been increasing rapidly and the current situation is most interesting, according to the study, copies of which may be obtained from Price, McNeal & Co. at a cost of $1 each.

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Legal Oddities

THE UNCONSCIOUS STOCKHOLDER

A certain Pennsylvania stockholder who held 100 shares in a Pennsylvania corporation had a favorite daughter named Jane. One fine morning the stockholder strolled into the transfer clerk's office and laid down the certificate for his 100 shares, with the transfer duly signed and witnessed.

"Transfer that stock to my daughter Jane," the stockholder ordered.

"I'll have the new certificate ready in a little less than no time," the clerk assured him. The stockholder took the new certificate; after his death it was found in his safe in an envelope with Jane's name on it, and she promptly laid claim to it.

"Did you know or have any idea that the stock had been transferred to you, or that such a certificate was in existence?" the other heirs queried.

"Not the slightest." Jane admitted readily enough.

"Then you can't be a stockholder without knowing it," the others contended, but the Pennsylvania courts (in the Roberts case, 85 Pa. St. 84) ruled that Jane could hold the stock against all comers.

Pressprich Branch Is Opened In Newark

NEWARK, N. J.—R. W. Pressprich & Co., members of the New York Stock Exchange, announce the opening of a branch office at 744 Broad Street, under the management of Carl A. Preim and Frank M. Condon. Mr. Preim was formerly partner of C. A. Preim & Co. Mr. Condon was Newark Manager for Libaire, Stout & Co.

Mr. Preim's association with R. W. Pressprich & Co. was previously reported in the "Financial Chronicle" of December 10th.

Genesee Valley Securities New Rochester Dealer Firm

ROCHESTER, N. Y.—The Genesee Valley Securities Co. has been formed to engage in a general securities business from offices in the Powers Building. Proprietor of the new firm is Ben Del Monaco. Mr. Del Monaco was formerly a partner in Del Monaco, Hayes & Co.

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Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4158 New York, N. Y., Thursday, March 11, 1943 Price 60 Cents a Copy

THE FINANCIAL SITUATION

It now seems almost incredible that only a few months ago high authorities at Washington were assuring the American people that, apart from a few special and not very important articles, there would be no food shortage in this country during this war. Yet such is the fact. We should be obliged, so they said at that time, to do without many things which we in our luxurious living had grown to regard as almost necessaries of life, but of the basic foods we were assured of ample supplies. In such a belief, apparently, the powers that be proceeded to take many hundreds of thousands of men from the farms and send them to the armed forces, to divert materials and manufacturing facilities from the production of essential farm implements to armament and plants in which to make armament, and to permit, nay, even encourage, a migration from the land to the factories where earnings were increasing steadily and rapidly.

A Slow Awakening

And then as one item of food after another grew scarce, rationing was initiated—still apparently without any realization that supplies were or were likely shortly to be inadequate to real needs. Later slowly dawning realization of the existence of a seriously threatening food situation found officialdom wholly unprepared to grapple with the fundamentals of the situation. Popular understanding of what was ahead came slowly in light of the many public assurances of ample supplies. It was only when the annoyances and inconveniences of rationing developed, coupled with utter inability to find supplies in the ordinary market places, that the public was really aroused and began to exert pressure upon Washington officials through Congress and otherwise. One grudging concession after another has followed which still leaves the situation in a highly unsatisfactory, not to say, dangerous state.

The Cold Fact

The cold, hard fact is that with average weather conditions during the coming crop season we may well find ourselves before the year is out in a far worse plight for food of the ordinary kind than we have been in the memory of living man—and this even if the channels of distribution are kept reasonably well open, as they are not at present. The authorities have in typical New Deal style set—and later revised—food production "goals" for the year. These require something like a 10% increase in the production of livestock products, and considerable change in the relative size of a number of field and truck crops, but no increase in total acreage devoted to crops is provided since even the planners

(Continued on page 924)

"Fears That Haunt Us"

"Sure of military victory though this Congress is, we are not complacent about the war effort. Indeed, we are very much perturbed. For while we feel that our cause is safe on the battlefronts, we are deeply alarmed by the many disquieting and even explosive circumstances that face us on the home front.

"Foremost among the fears that haunt us are these: That the conflict between the military program and the farm program may cause serious, if not disastrous, food shortages; that the aggravating muddling of the Manpower Commission, which does not seem to have yet done the elementary arithmetic of finding out how many men and women are needed by whom and for what, and where they can be got, may lead to a calamitous cramping of war industry; that the protracted wrangling and vacillating authority in the War Production Board may yet take its toll on the battlefield.

"And in all frankness let me say that to us in Congress has been transferred, as if by swift contagion, the people's long-delayed fury against the swollen and wasteful Washington bureaucracies that have burgeoned through the years."—Clare Boothe Luce to the President.

These same fears haunt many of us, and in the final analysis only the President is in a position to take effective action.

Problem Of Post-War Employment Of Utmost Urgency, With Burden On Industry: Hoffman

Declaring that "if our free society is to be maintained, productive jobs—millions of them—must be made available in the shortest possible space of time after hostilities cease," Paul G. Hoffman, Chairman of the Committee for Economic Development, pointed out on March 4 that "the burden of providing those jobs will rest largely upon private industry." Mr. Hoffman observed in his address that "the most ambitious program of public works can care for only a small percentage of those who will need jobs." He added that "as businessmen, I suggest that we attempt to measure the task of employment which will confront this nation when peace comes. As we review the problems which have been incident to our transition from a peace-time to a war economy and appraise the even greater problems we shall face when this process is reversed, I think it will become clear that we must start working **now** on a vigorous post-war job program." Mr. Hoffman, who is President of the Studebaker Corp., made these remarks in addressing the monthly meeting in New York of the Chamber of Commerce of the State of New York, at which time he spoke under the caption "The Key to the Maintenance of Freedom." Incidentally he discussed "the plans and programs of our very young organization—the Committee for Economic Development." While noting in his address that many have "expressed the view that perhaps we had best win the war first and then start talking about and planning to win the peace," Mr. Hoffman said that "that is a very plausible proposal, one that we could all support, **if** it could be made to work." He went on to say:

Paul G. Hoffman

"Every American is determined that winning the war shall come first. Winning the war must have a triple-A priority. That shouldn't even need saying. But it is my studied opinion that if we defer winning the peace until after we have won the war, we may lose the peace. Perhaps it will be well to specify what I mean by "winning the peace." That phrase has different meanings to different people. But most of us might agree that in so far as the United States is concerned, winning the peace must—as a **minimum requirement**—include the continued protection of the Bill of Rights for us as individuals . . . and relative freedom from regimentation for us as business men and workers.

"Stated conversely, practically all of us will agree that the peace most certainly will have been **lost**, if—in the post-war period—our free society is supplanted by a regime of regimentation."

Mr. Hoffman made the statement that "that can happen—and probably will happen—if we have too much unemployment for too long after peace comes. It is lack of jobs on a large scale that gives the dictators their opportunity. Mussolini would never have had a chance in Italy if it hadn't been for unemployment. Hitler's brown-shirted ruffians were recruited from among the youthful unemployed."

According to Mr. Hoffman, civilian employment will have to be found for 56,000,000 people in the post-war period. In his remarks with reference thereto he had the following to say:

"In 1940, our last peacetime year, approximately 46,000,000 people were gainfully employed in the United States—less than 600,000 of them were serving either in the armed forces or working in armament production. From an employment standpoint, the situation was not satisfactory. Approximately 9,000,000 competent workers were unemployed.

"By the end of this war year of 1943, it is estimated, more than 64,000,000 people will be employed

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From Washington Ahead Of The News

By CARLISLE BARGERON

In the more or less hysterical state which the war has brought to Washington, the likely greeting of two fellows meeting one another these days is: "Do you think Roosevelt is going to run for a fourth term?"

In this vein we approached a New Dealer friend the other day, a fellow noted for his brilliant repartee as all New Dealers are.

"Is your chief going to run for a fourth term?" we asked, intending to be provocative.

"Let me tell you something," he replied. "At the age of 85, just like George Norris, he will be limping away from Washington on crutches, complaining that the American people have repudiated virtue."

* * *

The effect of the November elections, reflected in Congress' going on the warpath in an effort to reassert its influence, the rise of Jimmy Byrnes in the country's domestic affairs, the appointment of Prentiss Brown in the place of Leon Henderson as head of OPA, et cetera, has spread to at least one place in the Department of Agriculture. Lyle Watts, who recently succeeded to the directorship of forestry, called industry representatives together and announced that there would be no more high-handed administration of the agency, that his desire was to work with industry, not against it.

Prentiss Brown is showing every evidence of this disposition, a disposition to work with the people generally instead of against them, but not being a strong executive, he is having an awful time getting rid of the pinkish intellectuals who have been running the OPA. Early in his administration he confided in friends that one of his first undertakings would be to get rid of Dave Ginsburg and his crowd. Asked a few days ago when he intended to do it, he threw up his hands and exclaimed: "Try it, try it."

It seems that these fellows have so wrapped themselves into the whole framework on which the OPA rests, that to tear them out would cause no end of confusion. These gentlemen have been writing the OPA laws ever since the establishment was set up. And

(Continued on page 935)

Lend-Lease Regarded As Vital To Victory

The House Foreign Affairs Committee, in its formal report recommending a one-year extension of the Lend-Lease Act, declared on Feb. 27 that lend-lease has operated with "brilliant effectiveness" as "an essential part of our mechanism for waging war" and "will prove a vital factor in the inevitable victory of the United States and the United Nations."

The Committee reviewed the part which lend-lease has contributed to the cause of the United Nations and wrote in the report that it is "imperative that the United States provide China with all aid that can possibly be supplied."

The House group also went on record as being "of the opinion that a lend-lease settlement which will not burden commerce cannot be based solely upon payment in gold or in goods." The report also said:

"This conclusion seems apparent in the light of the history of the war debts problem during the '20s and of the purpose of Congress in passing the Lend-Lease Act in its present form, rather than providing for a loan or series of loans.

". . . the results of that experiment are known to all. The method of settlement by repayment in gold or in goods has in the past proved self-defeating and destructive, and would after this war seriously interfere with the achievement of the conditions of world economic order on which the prosperity of this country largely depends."

The Committee further emphasized that lend-lease was a two-way proposition, operating in reverse to bring benefits to American troops and some material to this nation's factories.

"Under lend-lease in reverse." the report said, "the other United Nations are in turn making available a constantly growing amount of aid to the armed forces of the United States. The spirit of co-operation evidenced by the Lend-Lease Act has been reciprocated in full by the countries providing aid to the United States."

The report disclosed that China so far has received $156,738,000 worth of lend-lease aid but that the Committee "has been assured that measures are being undertaken to improve the transportation system and make possible increased aid to China."

Aid to other countries was reported as follows: Great Britain. as of Dec. 31, 1942, had received $3,959,950,000 worth; Soviet Russia, $1,532,230,000; the Middle and Far East and other regions. not including China, $2,393,193,000.

The report praised lend-lease as a means of preparing "the way for sound and durable international arrangements in the peace" and rebuked those who would demand guarantees of post-war use by the United States of foreign air bases built with lend-lease funds.

Problems of air rights generally, the Committee said, "can be taken up only as the general development of our foreign policy permits."

In answer to demands from members of the Committee, chiefly on the Republican side of the table, that lend-lease be used now to secure post-war economic benefits, the report had this to say, according to Associated Press:

"In the field of security and political relationships there is a vast and complicated area which involves considerations going far beyond the Lend-Lease Act alone.

"The problem of air and naval bases as they bear on the security of the United States, to take one example, or of air rights generally, are problems which in their ramifications can be taken up only as the general development of our policy permits."

Post-War Trade With Latin America

Editor's Note—This article was contributed to "The Chronicle" by Allen R. Edwards who informs us that he "has spent most of his life in the foreign field as boy, Army officer, business executive, and Government representative; many years in Buenos Aires, Brazil, and Chile, as Manager for Allied Chemical and Dye Corporation, and has just returned from Ecuador where, under the Office of Inter American Affairs, he was Director of the American Technical Mission to that country."

The industrialists of the leading South American Republics are slowly gaining a balance of power between Conservative landowners and Radical groups.

The fundamental issue between these factions is that of immigration; the industrialists want more domestic consumers while the Conservatives know that nine out of every ten new arrivals are Radical, consequently the Conservatives fear loss of political power resulting in a breaking-up of great landed estates.

Consent to more liberal South American immigration laws in the post-war period is bound to win out, the Radicals and the industrialists demand it, the Church a pillar of Conservative strength is swinging over, and behind the liberal viewpoint is the approval of our own Government.

Immigration Means Hidden Flight of North American Capital

The partial lifting of bans on immigration will be coupled with a simple, yet fool proof method of extracting vast sums from the United States. Immigrants according to labor, trade, or professional classifications, will be required to produce the equivalent of $1,000 to $5,000 U. S. for entry. South American politicians probably estimate correctly that hundreds of thousands, if not millions, of first to third generation American citizens, descended from various European racial groups will dig up the funds to give relatives their only chance in the New World, for despite our desire to find Utopia for everyone else, North American immigration will be solidly blocked by labor in the face of unemployment.

This hidden flight of American capital and buying power will be highly gratifying to those in our own land who desire the rapid rehabilitation of conquered or backward countries. Expanding European markets in South America with money that Congress does not have to appropriate, and that tax-payers never see, is a more subtle approach than asking funds for the rehabilitation of business competitors.

Huge grants for rehabilitation in Europe, cloaked as emergency relief, will undoubtedly be asked for and secured in the first years of peace, it is the American Way. It cannot continue once our noble flight into the realm of idealism is satiated in a stomach-ache of inflation and taxation. but the hidden flight of capital to South America can not be stopped.

Neglected Contacts Mean Future Trade Defeat

Not only will population increase rapidly in South America, but the standard of living for the masses will improve with huge jumps in export and buying power. European cartels, still ably represented today, will return as powerful factors in the South American market, England will hang on grimly and intelligently to her pre-war share. Her maintainance of contacts, experimental shipments, and ground work today completely over shadow our own. The American manufacturer must alter his attitude of delay and be prepared to promptly take a fair percentage of this rapidly expanding market. He will need it to absorb a certain percent of his economical production. To delay preparatory work in the field until the end of the war means that competition will be shipping when he is beginning to knock at doors that have been closed to him.

We will have great advantages in the future, capital, banking-facilities, the power to force equitable exchange, a merchant marine, air transport, shorter hauls, faster mail, and factories and railways at home in full operation to put out finished goods or to absorb raw materials; in fact, we will have all the advantages except the driving force of immediate necessity plus the contacts and good will which we are steadily neglecting.

Our business effort in South America will be like a magnificently equipped, but green army operating in a strange terrain, unaided by local contacts, uninformed from advance penetration; we have seen what prices such Armies pay.

The cause of future international peace demands that we look for no sweeping trade victories. That cause will have vigorous champions in our post-war Government. Domestic tranquility makes it imperative that we guard against sweeping foreign trade defeats. That cause calls for vigorous and positive action on the part of our manufacturers today.

Advantages Offset By Neglect

Foreign business contacts, goodwill, and service have never been regarded very seriously by our country while doing only 8% of its business overseas. Today, in a seller's market, under the stress of war and shipping restrictions, they are forgotten terms. They remain vital factors in Latin American and Far Eastern trade as we face the necessity of exporting 12 to 18% of our post-war production to avoid unemployment and depression.

Countless American firms are smugly contemplating entry, re-entry, or expansion of South American business when, and as, surplus production, ocean bottoms, or air transport, are available; in most cases they will find themselves too late. All foreign and a few American companies who have built and nurtured their contacts with owners, buyers, and technicians, planned organizations and completed laboratory, factory, and field testing, and whose representatives have established social ties, will be miles ahead of them.

Immediate Contacts Without Immediate Shipments

Under normal conditions the South American industrialist or business man is secretive and hard of approach, seldom a technician himself, he relies on employees who by European sales methods, as well as racial and cultural sympathies, are wedded to former connections. Even the opportunity to demonstrate and test American machinery or finished goods has been frequently denied, but today times are not normal, a great temporary export market in finished goods for the emergency relief of Europe is looming. It will be backed by North American money. The South American industrialist wants a small share in that temporary market, while immigration and export of raw materials is building up his own permanent domestic market. Now is our opportunity for contacts which will be difficult in the future. Today, strange as it may seem, relations can be established without shipments.

Lack of North American supply in all lines, except Government parachutists and hot air, have naturally disillusioned the Latin business man. Bitter and resentful, in a mood to be easily reclaimed by European interests, he nevertheless knows that North American industry will have machinery, finished products, and the ocean bottoms available two years before Europe can ship in quantity; time is essential to him if he is going to get a ticket on the gravy boat of rehabilitation expenditures. Today he will listen, he will cooperate, test, and plan. A good portion of his business will remain with those whose foresight have made them the first prepared to give him supply, and the intelligent service that can only be developed through painstaking, time consuming preparation. Our Government will never block test, sample, or research shipments.

Free Insurance For Future Markets

Our need for a prompt expansion of foreign trade in the post-war world, to furnish employment, to cut domestic costs, to balance imports, to reclaim a portion of departing capital, and to protect our very standard of living is self-evident. Government relief purchases for Europe will furnish an altruistic, but dangerous and temporary stop-gap; a panacea to American business while our enemies of today again fasten their tenacles to the South. Our solid and continuing foreign trade lies within the fields of our national influence, unquestionably South America, probably the Far East.

Our corporations, manufacturers, and distributors cover themselves with practically every known type of insurance. It costs them nothing under existing surplus-profit taxes, but they neglect one form of protection, namely, provision through field representation and contacts for rapid and intelligent entry, re-entry, or expansion into their closest, their safest export market.

Red Cross Seeks $12,920,700 In N.Y.C.

The New York City Red Cross War Fund drive was launched on March 1 when an estimated 100,000 volunteers began soliciting contributions to raise $12,920,700, the city's quota of the national goal of $125,000,000.

Following the action of President Roosevelt in proclaiming March as Red Cross month, Mayor LaGuardia of New York on Feb. 28 issued a similar proclamation and called upon the citizens to take part in the campaign and give generously so that the city's quota will be quickly oversubscribed.

Many phases of the city's business and industrial life are co-operating to keep the Red Cross appeal before the public. It is said that the campaign will require at least 2,000,000 persons to double their donations of last year.

Colby M. Chester is General Chairman of the New York fund.

Editorial—

Some Little-Noticed Aspects Of Unionism

One of the great changes in industrial life being wrought during this war is the vast increase in membership and economic strength of the labor organizations. The pages of this magazine have often pointed out this increase as being fraught with significance to all of us. Ten years ago, the public was concerned with unions chiefly when it was inconvenienced by a strike. Now, the public must be concerned with even the more technical policies of the unions, for such policies affect us all and will transform the nation unless they are changed or checked.

At the first of this year, the Department of Labor estimated that more than 40%, or 13,000,000, of all industrial employees in the nation were working under a union agreement. At least 60%, or 6,000,000, of these workers were subject to maintenance of membership or union shop clauses. Since January the trend towards the unions has continued unabated. Last week, the War Labor Board granted a maintenance of membership clause to a local CIO steel union which had staged so many strikes that on Feb. 17, the Navy felt compelled to take back the "E" pennant it had previously granted the company. Each week that passes sees thousands of additional employees brought into unions, most of them under maintenance of membership, which assures that those unions will continue to flourish at least for the duration of the war.

"The Chronicle" often has commented on the dangers inherent in maintenance of membership and it will do so in the future. Here, however, we wish to consider more specifically what the spread of unionism and maintenance of membership will mean to the nation by examining some of the technical policies the unions follow.

First, there is compulsory arbitration. In a series of advertisements appearing in the newspapers of last week, Montgomery Ward & Co. asserted that the arbitration clause the War Labor Board was requiring the company to sign was almost as objectionable to it as the maintenance of membership clause. The advertisements flatly stated that such a clause required the corporation to surrender its prerogatives and control over its property.

There is much to be said in favor of voluntary arbitration of labor and all other commercial disputes. But few individuals not directly charged with the management of industrial relations fully grasp what industrial management is asked to relinquish when it signs the typical union agreement which contains a typical arbitration clause.

Under such clauses the union may question the rate of speed on a given occupation or occupations, or the amount of work that must be turned out in a given period, and that question may go before the arbitrator. Control of the rate of production historically was a management prerogative but it is surrendered to an outsider under most arbitration clauses.

The union may question the number of men assigned to a given task and demand that the number be increased. The union may demand that the rate of pay for a given occupation or occupations be increased, and this question as with the two preceding instances mentioned, would go before an impartial arbitrator.

Even the most fundamental of management prerogatives, the right to promote, is challenged and carried to arbitration under some of these clauses.

The prerogatives thus surrendered (and the list is only illustrative, it is by no means all-inclusive) certainly demonstrates that compulsory arbitration means very fundamental changes in the American way of doing business. But there is also another serious aspect to the question. We need to comprehend the "climate" under which arbitration of industrial relations disputes is generally carried on.

The arbitrators are mostly drawn from college staffs, and to a great extent, these persons are still afflicted with the notion of the late 1920's and the 1930's that the unions are the great under-privileged class. We can best illustrate our point by referring to the public representatives on the National War Labor Board. These public representatives are supposed to be impartial and disinterested. Someone has said that a person has to be outspokenly and strongly pro-union to be considered sufficiently impartial to qualify as a public member of the War Labor Board. The decisions of the agency seem to support that observation. Yet, the arbitrators of industrial disputes are drawn principally from the same class as those who constitute public representatives on the War Labor Board.

One veteran personnel man summarized his experience with arbitration by saying that he always expected an arbitrator to award the union its demands in any and all cases involving wages, while in the other cases, the arbitrator would be careful to see that the union won better than a majority. Wryly, he pointed out that unless an arbitrator did rule in this general manner he would not last long, because the union would refuse to consent to his designation.

Closely associated with arbitration as a factor in bringing about great industrial changes under unionism is the matter of seniority. After the last World War, the debates over seniority raged for some years, until the waning of the strength of the unions greatly lessened interest in the subject. Now, with the unions controlling conditions under which half of our factory employees work, we need to think about the question of seniority again.

The unions demand and generally obtain clauses that make seniority the principal if not the only consideration in both layoffs and promotions. Sometimes, the clauses provide only that seniority shall prevail if ability and physical fitness are equal. Management often has held out for this latter type of clause because it has insisted that the right to promote for merit is the most fundamental prerogative of management. Yet, such clauses are generally subject to arbitration, and generally when disputes over promotion are arbitrated, seniority wins out.

We need to think about what seniority will do to our industrial system. Naturally, hard and fast seniority all but destroys discipline in the plant since arbitrators will only uphold discharges when the employee's offense was outstanding and grievous. It greatly lessens initiative and enterprise, since the hard-working and more enterprising worker sees the promotion go to the man who has served longest. The "time-servers" win out and get the advancements, and when hard times roll around, the management is forced to lay off the promising and enterprising among the newer of its employees, because seniority requires them to be laid off before the "time-servers."

The serious nature of the question was illustrated early last year when the Army and Navy stipulated clearly that seniority in the Government-owned ordnance plants must not interfere with the promotion and advancement of those most fit.

"The Chronicle" is glad to see that Congress is considering a sweeping investigation of the entire labor field, something these pages proposed last December before the new session had got underway. It now suggests that this investigation may well study carefully the implications of the rather technical clauses now contained in union contracts, the clauses which are making seniority universal, and which are forcing management to surrender control over the wages, assignment of work, and promotions to outside arbitrators.

When the full facts are made known, the public will demand some action.

The State Of Trade

Industrial reports continue to reflect the steady expansion of war equipment production.

Steel production in the United States for the current week will be at 99.1% of the 1943 increased capacity, indicating output of 1,716,100 net tons, the third largest of any week on record, according to the American Iron and Steel Institute.

Last week operations were at 98.2% and output was 1,700,500 net tons, while for the like 1942 week production totaled 1,654,500 tons. In weeks ended Oct. 12 and 26, 1942, output was slightly above that of the current week.

Steel making capacity was increased 1,098,140 net tons during the last half of 1942 to 90,292,660 tons, nearly half of the world's total, according to the magazine "Steel."

Since January, 1940, the industry has added facilities for 8,700,000 tons, equal to half those of Great Britain. When the present program is completed the industry will be rated at close to 96,000,000 tons of steel and 69,000,000 tons of pig iron.

Distribution of electric power for the week ended Feb. 27 was 3,892,796,000 kwh., a rise of 14.2% over the 3,409,907,000 for the like period of 1942, according to the Edison Electric Institute. The previous week's output was 3,948,749,000.

Gain by the Pacific Coast was 31% as compared with an increase of 30.6% the previous week.

Car loadings of revenue freight for the week ended Feb. 27 totaled 782,855 cars, according to reports filed with the Association of American Railroads. This was an increase of 30,406 cars over the preceding week this year, 996 cars more than the corresponding week in 1942, and 26,185 cars above the same period two years ago.

This total was 122.77% of average loadings for the corresponding week of the 10 preceding years.

Production of war equipment by American industry in January this year was three and one-half times the rate for January, 1942, a leading Washington official reports.

Approximately 5,000 airplanes were produced, of which more than 65% were combat types, and upwards of 70,000 bombs of 1,000 pounds size or larger were delivered to the Army, Under-Secretary of War Patterson reported.

Although somewhat below December, because of year-end adjustments, January production nevertheless was in line with the production trend, which has been climbing at an average rate of nearly $100,000,000 a month for a year.

Other figures cited by Mr. Patterson in the January munitions output were 80,000 Garand rifles, 27,000 .50 caliber aircraft machine guns, 7,000 20-mm. aircraft cannon, 68,000 sub-machine guns, and 37,000,000 square feet of metal landing mats.

The retail trade continues to report business at unusually high levels compared with last year. Sales of apparel in New York City in the week ended Feb. 27 recorded the largest increase of any week since the nation's women launched their rush to buy clothing, owing to fear of rationing. Figures released by the New York Federal Reserve Bank show that sales of the city's apparel stores were 80% larger than in the like week last year.

This sharp increase followed a gain of 61% in the previous week ended Feb. 20, and a jump of 53% in the week ended Feb. 13, the week immediately following the announcement of shoe rationing which touched off the buying wave. In the four weeks ended Feb. 27 sales of New York City apparel stores were 54% above those of the corresponding period last year.

Sales of New York City department stores last week were 21% above the like 1942 week, and in the four weeks rose 18% over the comparable period a year ago. For the entire New York Federal Reserve District sales in the week were also 18% higher than in the like 1942 week.

While the automobile industry is now operating at the highest level in its history, continued expansion is expected for some time, according to a survey by Standard & Poor's. Operating margins are expected to be relatively well maintained, and earnings before taxes should register good improvement. With taxes likely to be only moderately higher in 1943, a large part of the gain should be carried through to net income.

Total armament output of the automotive industry, including the related parts concerns, amounted to $4,665,000,000 in 1942. In addition, the industry produced about $820,000,000 of civilian goods. This is more than 10% greater than the industry's 1941 dollar volume of civilian and armament materials. Currently the annual rate of production is in excess of $7,000,000,000, or 75% higher than in the industry's best peace-time year, and equivalent to producing 10,000,000 cars and trucks annually. The record high was 5,350,000 vehicles in 1929.

Fire Waste Council

The 20th annual meeting of the National Fire Waste Council will be held on April 2 at the U. S. Chamber of Commerce Building in Washington. It is announced that in view of the fact this is the 20th annual meeting of the Council and that its responsibilities are greater than ever before in dealing with the enormous burden of fire losses on the war effort, it is expected that every voting member of an accredited representative to the Council will attend and that every member organization will give its full cooperation in making this possible. It is also announced that the Program Committee has arranged a particularly effective program which, it is believed, not only will be of vital interest to the members of the Council, but also especially helpful in furthering the great work of the Council's organization membership and of real benefit to the Chamber's nationwide membership — chambers of commerce, trade associations, manufacturing and mercantile establishments, food storage and processing, agricultural organizations, etc. Leading executives from these fields will address the meeting in connection with specific and notable fire-safety accomplishments that have been attained in their respective organizations and business enterprises.

The luncheon meeting this year will be a continuation of the morning session and it is stated will be one of the principal features of the meeting.

THE FINANCIAL SITUATION

(Continued from first page)

can not bring themselves to hope that with the existing manpower situation and the scarcity of farm implements more land can be cultivated. So heavy are the demands of the armed forces and Lend-Lease expected to be that these goals will not, according to the authorities, even if fully reached, do better than cover essential requirements.

What Assurances?

But what assurance have we that these "goals" will actually be reached? As is well-known, last year was an exceptionally good crop year. Much larger production than usual was obtained in proportion to the acreage and labor devoted to agricultural production. Similarly exceptional weather conditions must prevail this year if we are not to fall short of the "goals" set under the conditions imposed. A poor crop year could be only a little short of disaster at best. Even with exceptionally good growing conditions it is questionable if we could match last year's production with the limited manpower and machinery available. Concessions have been belatedly made in the matter of calling up productive farmers in the draft, and more liberal allowances have been arranged for the manufacture of farm machinery, but at least some of the horses were stolen before the stable door was locked. The fact that the number of hired workers on the farms is now running at an all-time low is significant, but probably not as important as the fact that many proprietor-farmers have left their farms to grow up in weeds and are now in the armed forces or at work in highly paid war jobs.

New Deal-ish efforts to recruit and train farm workers may be set down as more or less certain to be of doubtful success—perhaps not so absurd as the still-born scheme to send battalions of city-bred soldiers to pick cotton, but unlikely to be particularly fruitful. Neither will plans for transporting workers from section to section as they are needed for harvesting or other farm work do a great deal to get at the roots of the difficulty. The planned increase in farm implements comes at the very eleventh hour. It may help, but it is too late to afford any complete solution since these implements, or many of them, are needed not two or three months hence but now. Whether the drain of manpower from the farms to the factories has ceased is unknown, but it would appear that the underlying causes still exist in increasing earnings to be had in the factories. Possibly the difficulties already being experienced by housewives in obtaining food—lamentably serious in some sections—may do more to stem the tide than all the efforts of befuddled Washington.

No Time to Waste

It is to be feared that much of the damage to food production is all but irreparable so far as this year's crops are concerned. They are almost certainly irreparable in the absence of prompt and vigorous action. The question of furloughing farmers and experienced farm workers needed to produce and to harvest crops appears still to be undecided, although some recent dispatches from Washington are somewhat more encouraging. Action can not be further delayed if this year's production is to be helped much. Anti-inflation programs and political fondness for labor appear to preclude any effective effort to deal with the price situation or wages in such a way as to stimulate farm production. Something really constructive may yet come out of Washington in the matter, but there is certainly no time to waste.

Distribution Clogged

When we turn to the distribution side of the matter, we find similar bungling. Arbitrarily fixed price ceilings, ineffectual enforcement of the million and one regulations governing the distribution of products, and a host of other similar muddles are in many instances quite effectively choking the channels of distribution with the result that even that which is available is not reaching consumers evenly, promptly and satisfactorily. The authorities have undertaken to regulate so extensively and so intensively that their schemes are breaking down of their own weight—and leaving many consumers buried in the debris. The recent tendency away from Gestapo or Ogpu tactics is to be encouraged in every way. It may conceivably go far enough to be of some real help so far as distribution is concerned. It is certainly to be hoped so. One trouble is that the bedeviled consumer has become so bewildered by constantly repeated blunders and so often misled by pronunciamentos, that there is very little faith left in anything that comes out of Washington—and correspondingly little inclination to refrain from steps which appear to afford some brief security through hoarding and the like.

Here is a situation that will soon threaten, if it is not already seriously threatening, the entire war effort. Morale behind the armed forces is in grave danger. Should the rank and file of the people be subjected to real food hardships during the next twelve months, the belief is certain to be widespread—whether warranted or not—that the situation is really quite unnecessary and wholly due to official blundering. Enthusiastic support of Government so necessary in times such as these is not nourished by such conditions.

And the days are passing.

Mme. Chiang On Tour Of U. S.—Before Congress Warns Against Delay In Action Against Japan

Mme. Chiang Kai-shek, wife of the Chinese Generalissimo, who plans a trans-continental tour of the United States, visited her Alma Mater, Wellesley College, at Wellesley, Mass., on March 6, after the recent receptions accorded her in Washington and New York City. During her stay in Washington Mme. Chiang, in an address in the House of Representatives, on Feb. 18, criticized the "prevailing opinion" that the defeat of the Japanese is "of relative unimportance and that Hitler is our first concern." Mme. Chiang said that "this is not borne out by actual facts, nor is it to the interests of the United Nations as a whole" to allow Japan to continue as a vital potential threat.

After being a guest at the White House for 10 days, Mme. Chiang came to New York City on March 1 and was extended an official welcome by Mayor F. H. LaGuardia at City Hall. A public reception was also held in City Hall Park and Mme. Chiang later visited New York's Chinatown.

On the night of March 2 Mme. Chiang addressed a massmeeting in Madison Square Garden, and on March 3 attended a reception at Carnegie Hall given by New York's Chinese. She concluded her stay in New York on March 6 and then traveled to Wellesley, to spend the week-end at Wellesley College, from which she was graduated in 1917. On March 8 she was feted at Boston. Besides making a cross-country tour of various cities, it is possible she may visit Canada and England before returning to China.

In her address at the Madison Square Marden rally Mme. Chiang appealed for a post-war world in which great and small nations have equal opportunity of development, with the stronger nations guiding the weaker toward self-government rather than exploiting them.

She also suggested that the goal of our common struggle at the conclusion of this war should be to shape the future so that "this whole world must be thought of as one great State common to gods and men."

After propounding the questions, "What are we going to make of the future?" and "What will the revalescing world, recovering from this hideous blood-letting be like?" Mme. Chiang answered:

"The wisest minds in every corner of the world are pondering over these questions, and the wisest of all reserve their opinion. But, without letting temerity outrun discretion, I venture to say that certain things must be recognized. Never again must the dignity of man be outraged as it has been since the dawn of history.

"All nations, great and small, must have equal opportunity of development. Those who are stronger and more advanced should consider their strength as a trust to be used to help the weaker nations to fit themselves for full self-government and not to exploit them. Exploitation is spiritually as degrading to the exploiter as to the exploited.

"Then, too, there must be no bitterness in the reconstructed world. No matter what we have undergone and suffered, we must try to forgive those who injured us and remember only the lesson gained thereby. . . .

"Finally, in order that this war may indeed be the war to end all wars in all ages, and that nations, great and small alike, may be allowed to live and let live in peace, security and freedom in the generations to come, cooperation in the true and highest sense of the word must be practiced.

"I have no doubt that the truly great leaders of the United Nations, those men with vision and forethought, are working toward the crystallization of this idea; yet they, too, will be impotent if you and I do not give our all toward making it a reality."

Mme. Chiang's address before the House of Representatives on Feb. 18 marked her first public appearance since arriving in this country last November for medical treatment. In her remarks she urged Congress to lead the way in preparing a brighter future for the post-war world, and expressed the hope that all nations become members of "one corporate body." She also appealed for increased aid to China, pointing out that "the Japanese juggernaut remains" and that "Japanese military might must be decimated as a fighting force before its threat to civilization is removed."

Mme. Chiang went to Washington on Feb. 17 from Hyde Park, N. Y., where she had passed a few days at President Roosevelt's estate. She was met at the railroad station by the President and Mrs. Roosevelt and was a guest at the White House for two weeks.

On Feb. 18 Mme. Chiang first paid a visit to the Senate and made an extemporaneous speech emphasizing the traditional friendship between the United States and China.

In her prepared address to the House, which was broadcast nationally, Mme. Chiang said two impressions she gained during her trip to this country were that "the American people have every right to be proud of their fighting men," and that "America is not only the cauldron of democracy, but the incubator of democratic principles."

As to the tendency to belittle Japan's strength, Mme. Chiang warned:

"Now the prevailing opinion seems to consider the defeat of the Japanese as of relative unimportance and that Hitler is our first concern. This is not borne out by actual facts, nor is it to the interests of the United Nations as a whole to allow Japan to continue, not only as a vital potential threat but as a waiting sword of Damocles, ready to descend at a moment's notice.

"Let us not forget that Japan in her occupied areas today has greater resources at her command than Germany.

"Let us not forget that the longer Japan is left in undisputed possession of these resources, the stronger she must become. Each passing day takes more toll in lives of both Americans and Chinese.

"Let us not forget that the Japanese are an intransigent people.

"Let us not forget that during the first four and a half years of total aggression China has borne Japan's sadistic fury unaided and alone."

As to the duties of the present Congress, Mme. Chiang said:

"It now remains for you, the present representatives of the American people, to point the way to win the war, to help construct a world in which all peoples may henceforth live in harmony and peace.

"May I not hope that it is the resolve of Congress to devote itself to the creation of the post-war world? To dedicate itself to the preparation for the brighter future that a stricken world so eagerly awaits?

"We of this generation who are privileged to help make a better world for ourselves and for posterity should remember that, while we must not be visionary, we must have vision so that peace should not be punitive in spirit and should not be provincial or nationalistic or even continental in concept, but universal in scope and humanitarian in action, for modern science has so annihilated distance that what affects one people must of necessity affect all other peoples.

"The term 'hands and feet' is often used in China to signify the relationship between brothers. Since international interdependence is now so universally recognized, can we not also say that all nations should become members of one corporate body?"

She also stated "that China is eager and ready to cooperate with you and other peoples to lay a true and lasting foundation for a sane and progressive world society which would make it impossible for any arrogant or predatory neighbor to plunge future generations into another orgy of blood."

Mme. Chiang concluded:

"We in China, like you, want a better world, not for ourselves alone, but for all mankind, and we must have it. It is not enough, however, to proclaim our ideals or even to be convinced that we have them. In order to preserve, uphold and maintain them, there are times when we should throw all we cherish into our effort to fulfill these ideals even at the risk of failure.

"The teachings drawn from our late leader, Dr. Sun Yat-sen, have given our people the fortitude to carry on. From five and a half years of experience we in China are convinced that it is the better part of wisdom not to accept failure ignominiously but to risk it gloriously. We shall have faith that, at the writing of peace, America and our other gallant Allies will not be obtunded by the mirage of contingent reasons of expediency.

"Man's mettle is tested both in adversity and in success. Twice is this true of the soul of a nation."

The President and Mme. Chiang held a joint press conference on Feb. 19, at which Mr. Roosevelt pledged that the United States will send increased military aid to China just as fast as the Lord will let us. To this remark, Mme. Chiang replied that the Lord helps those who help themselves.

The President, stressing the transportation difficulties, said, however, that this problem was being studied and increased aid will get under way as soon as possible. He pointed out that the United States is just as eager to knock out Japan as China is, and that the objective of increasing aid is to use China as an important base of operations against the common enemy, Japan.

Mme. Chiang said that the greatest need in China is for munitions, since her country has the man-power but cannot equip them.

The conference was opened by the President with informal remarks in presenting newspaper correspondents to Mme. Chiang.

On Feb. 22 Mme. Chiang journeyed with the President and Mrs. Roosevelt to Arlington National Cemetery to place wreaths on the Tomb of the Unknown Soldier and at the graves of George and Martha Washington in Mount Vernon.

Problem Of Post-War Employment Of Utmost Urgency, With Burden On Industry: Hoffman

(Continued from first page)

—and of this number no less than 20,000,000 will be directly engaged in the manufacture of war goods with an additional 9,000,000 or 10,000,000 in the armed forces.

"If in the post-war period we had to provide employment at the 1943 level, the task would be staggering. Fortunately, several million of that working force are overage, underage, or women who voluntarily will return to their homes. The best estimates indicate that if we achieve an employment level of approximately 58,000,000, with a normal work week, a very satisfactory situation will prevail. It is estimated that approximately 2,000,000 of these 58,000,000 will be in the armed forces, which means that civilian employment will have to be found for the remaining 56,000,000. That spells out to 10,000,000 more peace-time jobs than were available in 1940. They will have to be created either in private industry or by the Government on public works projects.

"Jobs stem from the output of goods and services. In 1940 the gross output of goods and services in the United States totaled $100,000,000,000. Bear in mind I speak of gross output, not national income. That was a record for a peace-time year. War goods constituted less than $2,000,000,000 of this amount. In this year of 1943, gross output is expected to total $155,000,000,000. Of this total, war goods will account for approximately $85.000.000,000 — civilian output, $70,000,000,000. These estimates are all made in terms of the 1941 dollar. In that post-war year when we hope to have civilian employment for 56,000.000 people, our output of civilian goods and services will have to exceed $135,000,000,000. That is 38% over the $98,000,000,000 of 1940. In addition, it is estimated that production of military goods will continue at the rate of perhaps $10,000,000,000.

"It is anticipated that even though we assume an orderly curtailment of war production and a gradual demobilization of our armed forces, these two tasks will have been completed within about two years. That means we have but two years to bring about the complete transition from a war to a civilian economy—two years in which to raise the output of civilian goods and services from the very low level then prevailing to the new record-breaking heights which must be reached if millions of men are not to be found walking the streets looking for jobs. Reaching that high level peacetime output is going to be a whale of a job—the toughest assignment this nation ever tackled.

"The very toughness of this assignment should make it crystal clear that to meet it (1) individual enterprises must start their post-war planning of products and marketing **now** and (2) the environment in the post-war period must be favorable to the expansion of enterprise. These are certainly the convictions of the business men and professional economists with whom I am associated on the Committee for Economic Development."

With reference to the Committee for Economic Development, we quote in part, as follows, what Mr. Hoffman had to say:

"The Committee for Economic Development has been mentioned by me. Perhaps I had better describe it briefly. As projected, it is to be composed of a board of 18 trustees, of 12 regional chairmen, and from 135 to 150 district chairmen.

"The idea of establishing the Committee for Economic Development originated when Secretary Jesse Jones called together a group of business men several months ago. Secretary Jones then suggested that a committee be organized which would accept the responsibility for assisting commerce and industry to develop means for making their full contribution to stability and prosperity through the achievement of optimum employment and high productivity in the post-war period. Out of that proposal of the Secretary's came the Committee.

"The Committee is completely independent and self-financed but continues to have the active support of Secretary Jones and Under Secretary Wayne C. Taylor of the Department of Commerce. Further, it has been assured cooperation by almost every governmental agency concerned with the problems of the postwar economy. Its program, its aims, already have been discussed with such governmental groups as the State Department, Federal Reserve Board, The National Resources Planning Board, the Board of Economic Warfare, and the War Production Board.

"Basic responsibility for the Committee's activities rests with its Board of Trustees. Its activities are carried out through two major divisions—The Field Development Division and The Research Division. Mr. Marion Folsom, Treasurer of Eastman Kodak Co., who is a member of the Board of Trustees, heads the Field Development Division. Mr. Ralph Flanders, President of Jones & Lamson Machine Co., who is also a Trustee, heads the Research Division.

"The Field Development Division has the responsibility of stimulating, encouraging and helping individual enterprises in planning their programs of products and marketing for the postwar period. The Committee is not overly concerned about the larger corporations. They have the resources and the technical ability to do a first-class job on their own. Almost without exception they already have started. It is the smaller businesses—tens of thousands of them all over the country —which are going to need both encouragement and help in getting their programs under way.

"It seems terribly important to members of our Committee that all possible cooperation be extended to these smaller enterprises —not for emotional reasons, not as a matter of charity or philanthropy, but because they are essential to our country. In the aggregate, the small business man provides many millions with their livelihood. They are the grass roots from which our business economy grows. If they go down, the country goes down with them. We had a sample of what that means in the '30s. . . .

"The Research Division is concerned with the creation of an environment in the postwar period favorable to the expansion of enterprise. . .

"Two meetings participated in by the Research Committee, Research Advisory Board and the Research Staff have already been held. . . .

"At our last meeting these was general agreement that studies in three categories should be undertaken immediately. First, the government and business policies growing out of the war itself, such as rationing, price controls, and the ownership and operation of war plants. The cessation of hostilities will bring an immediate demand for a shift from these policies. A well-considered program of transition must be available. Second, the peculiar and particular problems of small enterprises. As a matter of fact business men and economists were of one opinion, namely, that the government must take positive action to assure a favorable climate for the birth and continued life of smaller enterprises. Third, taxation. . . .

"The objective of the taxation study, which the Research Division will undertake, will be to arrive at recommendations for changes which will encourage risk taking, hence expansion, hence more jobs.

"The conclusions of the Research Staff, when approved by a Reading Committee of the Research Advisory Board, will be published and made available to all who are interested. Further, in these studies, it can be hoped that the Board of Trustees of the Committee for Economic Development, in its deliberations on policy, will have available for its guidance evidence now tragically lacking.

"This proposed research program is a difficult assignment. It transcends any similar assignment undertaken and financed by business. It will take time, not much can be expected in less than two years, but it holds the promise that out of the studies will come evidence so clear that it will have a most constructive effect on both business and government policies in the postwar period.

"That, in brief, is the way the Committee for Economic Development is set up to help commerce and industry get ready *now* to supply jobs as soon as the war ends.

"The prospect is agonizing—and hopeful and inspiring. It is hopeful because peace, when it comes, will find a huge pentup need and desire for goods—and many billions of dollars of savings available to permit people to translate their desires into buying demand. Industry's problem will be to meet the demand, not to create it.

"The prospect is inspiring, because at the end of the war business will have its biggest—and perhaps its last big—chance to help put the better world for which we are now fighting on the healthy economic basis which will keep it better.

"Business must be ready to act quickly and surely when that time comes. Long before peace arrives, it must have planned actively and soundly for the postwar period—*and it must have planned boldly*. Only bold planning *now* can form the basis for the bold action necessary immediately after the war ends.

"For once peace comes, industry must be ready to race to high level employment very quickly. The desire for goods will be in the people's hearts and money to buy will be in their hands, but business must be ready to put the idle millions to work. It must get jobs to the idle millions *before* long unemployment brings them fear and disillusionment and want. Industry must be prepared for this grim yet inspiring race. If business has planned boldly and has the courage to act boldly when peace comes, then its wheels can begin to turn *in time*. When it comes to providing postwar jobs we just can't chance bringing too little, too late."

Restrict Shoe Price Lines Ease 'Play' Shoes Rationing

Acting to protect consumers against the possibility of the shifting of shoe production into high-priced lines, the War Production Board has prohibited manufacturers from producing more shoes in any price line than were made prior to institution of the rationing program. At the same time, shoe production in the six months beginning March 1 was restricted to the volume of output in the final six months of 1942, and manufacture of house slippers was reduced by 25%. The announcement from the Board further stated:

"In an action further amending Order M-217 (footwear), WPB ordered that in the six months beginning March 1 shoe manufacturers must confine their civilian production to the same price ranges and lines that they made in the last six months of 1942. If they made several price lines, they are prohibited from producing more shoes in any given line than were manufactured in that line previously.

"The effect of the amendment is to provide consumers, in so far as possible, the same choice of price, type and quality of footwear they previously had, and to set up a barrier to any tendency by manufacturers to increase the production of high-priced shoes under the rationing program. The restrictions are necessary because of the heavy requirements for top grades of upper and sole leather for the armed forces and Lend-Lease.

"The order provides that a low-priced line of civilian shoes may be substituted for the same type of a high-priced shoe in an individual manufacturer's production program. Also, the unused production quota of any high-priced line may be added to the quota of a low-priced shoe.

"In addition, manufacturers may complete the production of any portion of a new line of civilian shoes which they put into process between Jan. 1 and Feb. 19, 1943.

"As a result of the 25% cut, annual production of house slippers is expected to be about 36,000,000 pairs, or a reduction of approximately 7,000,000 pairs below the 1942 level. In 1942, production of house slippers totaled 43,000,000 pairs."

The amendment covers the following types of civilian shoes made in whole or in part of leather or with rubber soles: men's dress and work, youths' and boys', women's and growing girls', misses' and children's, infants', house slippers, and athletic. A "line" is defined as footwear of any of these types in a single price range. Price range has the usual trade significance, provided that the highest list price may not exceed the lowest price in the range by more than 10%.

Beginning Feb. 25, a limited group of "play" shoes became exempt from OPA rationing control. Specifically excluded from rationing are current stocks of ski shoes, skate shoes, rubber-soled shoes with fabric uppers, locker sandals, bathing slippers and other play shoes with uppers made of fabric or types of leather not on the essential list.

The exemption is limited to stocks of shoes which are now in the hands of retailers, wholesalers or manufacturers, or which are manufactured before April 16. Any shoes made after that date will be on the ration list.

Also placed in the non-rationed classification are all baby shoes up to size 4. Originally, only soft-soled infant shoes were on the "ration-free" list. Sizes above 4 will be subject to rationing regardless of the sole.

Previous reference to the shoe-rationing regulations was given in our issue of Feb. 25, page 758.

Picketing In Dispute Between Rival Unions Held Illegal By N. Y. Court Of Appeals

A decision holding picketing to be an illegal means of prosecuting a jurisdictional dispute between rival labor unions was handed down in a 4-to-3 opinion by the New York State Court of Appeals at Albany on March 4. The Court, in its findings granted a restraining order asked by a New York City shoe retailing firm against an American Federation of Labor shoe salesmen's union, according to Associated Press accounts from Albany, which further said:

"The company said it had a collective bargaining contract with a Congress of Industrial Organizations affiliate, but was picketed by the A. F. L. union as 'unfair.' Company attorneys said the picketing began when the company refused to sign a contract with the A. F. L. union.

"Writing the majority opinion, Judge Harlan W. Rippey said there was nothing in the State Labor Relations Act 'to indicate any intent on the part of the Legislature that it should cover a retaliatory jurisdictional dispute between two rival unions where no strike existed against an employer, and where there was no complaint concerning terms or conditions of employment.'

"Judges Edward R. Finch, Edmund H. Lewis and Albert Conway joined Judge Rippey. Chief Judge Irving Lehman and Judges Charles S. Descond and John T. Loughran dissented.

Sproul Heads NY War Finance Committee

Allan Sproul, President of the Federal Reserve Bank of New York, has been named by Secretary of the Treasury Morgenthau to serve as Chairman of the new Treasury War Finance Committee in the Second Federal Reserve District. The appointment of the Committee in the local Reserve District follows the creation of a U. S. Treasury War Finance Committee, announced by Secretary Morgenthau on March 3. Headed by W. M. Robbins, the National Committee was formed to integrate the efforts of the War Savings Staffs and the Victory Fund Committees in the gigantic war financing drive which is to begin April 12. Secretary Morgenthau indicated in his announcement that committees in the various Reserve Districts would be organized on lines similar to the National Committee.

Mr. Sproul has appointed the following as members of the Committee in the New York District, to serve with him as Chairman:

Thomas Hewes, Connecticut State Administrator, War Savings Staff; John E. Manning, New Jersey State Administrator, War Savings Staff; Col. Richard C. Patterson, Jr., New York State Chairman, War Savings Staff, and Perry E. Hall, Executive Manager, Victory Fund Committee, Second Federal Reserve District.

This Committee will act in an advisory capacity to Mr. Sproul, who, by direction of the Secretary of the Treasury, will have full authority and responsibility in the Second Federal Reserve District to direct the April war financing drive. In preparation for and during the drive, the existing State War Savings Staffs and the Victory Fund Committee for the Second Federal Reserve District will aid in mobilizing the combined efforts of the two organizations.

In a notice to various committeemen of the Second District, Chairman Sproul said:

"The war calls for a thorough mobilization of all of our financial resources. The Treasury's requirements surpass all other financial considerations. It is imperative that we consolidate and strengthen our forces on the financial sector of the fighting front. Just as the military authorities have found it necessary to bring the Army and Navy under a unified command in a given area, so the Treasury has asked its two fund-raising uits—the War Savings Staff and the Victory Fund Committee—to form a single 'task force' to carry on the April drive.

"This is a challenge to all of us. I know that you will respond with increased effort to make the April drive a success."

Newspapers Termed Vital To Winning War—Halleck Assails "Bureaucratic" Critics Of Press

Acclaiming the nation's newspapers as "one of the most essential and vital factors in the winning of the war," Representative Charles A. Halleck (Republican) of Indiana on March 4 took to task "bureaucratic" critics of the press, asserting that "they are self-appointed," and adding that "if I were to choose between the bureaucrats and the newspapers for a guardian of the rights of men, I would unhesitatingly choose the newspapers." Representative Halleck's strictures were made in a speech in the House, in which he said that "without newspapers the voice of Congress would be virtually unheard beyond the walls of its chambers. Its aims and labors would be distorted and misunderstood." He went on to say:

"To refute the falsehoods of the propagandists who have attempted to and will continue to attempt to minimize and discredit the Legislative branch there has been the press which, with a very few exceptions, has reported fairly and fully the deliberations of the Congress. Through these reports of the newspapers the public has been correctly informed."

Congress was called upon by Mr. Halleck in his address not to tolerate any "carelessness and groundless opinions" on the part of those who drafted regulations restricting the use of newsprint.

In reviewing the accomplishments of the newspapers Representative Halleck, according to Washington Associated Press accounts March 4 given in the New York "Herald Tribune," had the following to say:

"With the nation at war," he continued, "we should recognize the very definite and direct contribution that the press of the nation is making to the war effort. . . . It is a contribution which should clearly indicate that the press must be classed as an essential industry and given consideration as such. That certain recent actions on the part of some governmental agencies and administrators have seemingly failed to consider the press of the country leads me to ask your indulgence while I recount some of the things our newspapers have been doing and are now doing to step up our war effort and hasten the day of victory. . . .

"Review and calculate, if you can, the thousands of communications and regulations of which the public must be immediately informed. To distribute such information quickly to every city and farm, to set it out in proper detail, to define and explain and interpret — these are in large measure beyond the scope of personal interviews, the telephone, the mail, the periodicals and radio."

Food-rationing registration, he said, "provided just one example of the indispensable position occupied by the newspaper in relationship to the Government and the people. . . . Newspapers stepped into the breach and printed forms in their own columns so that housewives could clip them and use them when they visited their rationing boards.

"To the inspiring records of the newspapers' contributions in bringing about husbanding of rubber tires and oil, in winning ready cooperation in the rationing of gasoline and food, in promoting the sale of bonds, in increasing recruiting, and in expediting the selective service operations, should be added their very important work in stepping up war production. Newspapers were quick to present the problem to the American people and have labored steadily to help Government and suppliers set up an efficient program of production.

"The output of American factories has eclipsed expectations and due credit can be given to the newspaper through its focusing of public attention on this crucial need."

"The list of newspaper accomplishments is endless," he declared.

"With such a record before us, it is incomprehensible that there should be some who should incline to classify newspapers as non-essential and dispensable, and, for instance, should mistakenly and unnecessarily seek to reduce the amount of paper which they may use.

"I have referred to the aid given by newspapers to some of the departments of Government during these days of war. The acknowledgment should be extended to include the services rendered to this body, which has discovered anew a staunch supporter and effective aid in the press."

In his speech Representative Halleck declared that "there are some in the various offices of Government who decry the importance of the newspaper, who sneer at them as an institution, yet I cannot help but observe the steps they take to surround themselves with writers and publicists whose sole purpose is to see that their daily output is printed by the newspapers."

He was further quoted in the press advices as stating:

"Strangely enough, certain of the most bitter enemies of the press are those who sedulously seek publicity in the newspapers for themselves and their programs. It is not inappropriate to suggest that some of the pulp and paper materials used by the bureaucrats might be more properly allotted to the newspapers for which they have decreed shortages."

"If there are some whose animosity leads them to attempt to destroy the newspapers which stand between them and their goal, let us seek them out and render them harmless. For when you destroy the newspapers, you destroy one of the most effective internal implements of war and of peace which this nation possesses."

48-Hour Week Affects Employees Of 8 Up

It is announced by the Manpower Commission that regulations issued Feb. 28 by its Chairman Paul V. McNutt to govern the application of the 48-hour week called for by the President will, with some exceptions, affect all employers of eight or more persons in 32 designated areas whose production can be increased by a longer week or who can maintain their production with fewer men. According to the Commission, the exact boundaries of these areas, for the purpose of applying the 48-hour week, will be fixed by the regional directors of the WMC in the various localities.

In addition to applying in these areas, the 48-hour week also will be in effect in the lumbering and non-ferrous mining industries on a nation-wide scale, Mr. McNutt said. The Commission's announcement (Feb. 28) went on to say:

"Inquiries concerning application of the regulations should be directed to the proper regional or area manpower director. Administration of the order is delegated by the Chairman to the Commission's regional and area directors.

"It is made clear that the lengthened week order will not apply to farms or to persons employed by any State or any of its political subdivisions or instrumentalities, or to youth under the age of 16, or to persons who, because of other employment, household duties or physical disabilities, are not available for full-time work, or for business houses in which fewer than eight persons are employed regularly.

"The exclusion of establishments with fewer than eight persons, it is explained in an interpretative statement issued with the regulations, is based chiefly on assumption that in smaller establishments the extension of the work week would not result in the release of workers.

"The regulations have been sent to regional and area directors and to U. S. Employment Service Offices, together with instructions for carrying out terms of the President's order.

"In the regulations, it is stated that from time to time regional manpower directors may designate additional areas and activities if they find such action will reduce labor shortages which are holding back the war effort.

"Regional and area directors are authorized to consider a minimum work week of less than 48 hours when a full 48-hour week would neither increase production, release workers for other employment, nor otherwise further the war effort."

Mr. McNutt explains in the regulations that the President's order "shall be so construed and applied as best to effectuate its fundamental purpose which is to aid in meeting the manpower requirements of our armed forces and our expanding production program by a fuller utilization of our available manpower."

Continuing, the regulations state:

"Effectuation of this purpose requires that in situations of labor shortages employers do not hire new workers when their manpower needs can be effectively met by a fuller utilization of their current labor force, and that workers who can be released by an extension of the work week are released under circumstances which will permit and facilitate their effective utilization elsewhere in the war effort."

The regulations provide that if the labor requirements of an employer are such that the extension of the work week will not permit the release of any workers but would result rather in their continued full utilization in their present employment or their transfer to other employment under his direction, the 48-hour week should be put into effect at once.

Whenever the Regional or Area Manpower Director, or the designated representative of either, determines that released workers can be placed promptly in suitable employment, their employer will be notified. The employer should then proceed promptly to shift to the longer week. If the representative of the War Manpower Commission has not determined and notified the employer, however, that his released workers can be placed without delay, the work week will not be extended before April 1, 1943.

Before that the date the employer will be expected to submit to the representative of the Commission a statement as to how many workers would be released and their occupational classification, together with a proposed schedule for the timing of their release. In such cases the Regional or Area Manpower Director, or designated representative, will authorize the schedule for the extension of the work week to the 48-hour work week and for the release of the workers in accordance with the needs of the labor market. The employer then will extend his work week in accordance with such schedule.

An employer in any designated area or activity who is not in compliance with the regulations shall not hire any workers.

Previous items concerning the 48-hour week appeared in these columns of Feb. 25, page 763; Feb. 11, page 564.

19,281 Freight Cars On Order By Roads Feb. 1

Class I railroads on Feb. 1, 1943, had 19,281 new freight cars on order, the Association of American Railroads announced on March 4. This included 9,342 hopper, 7,955 gondola, 1,774 flat, 67 plain box cars and 143 miscellaneous freight cars. On the same date last year they had a total of 68,070 on order.

The Class I railroads on Feb. 1, this year, also had 471 new locomotives on order compared with 543 on the same day in 1942. The number on order on Feb. 1, 1943, included 335 steam and 136 electric and Diesel contrasted with 249 steam and 294 electric and Diesel one year ago.

The Class I railroads in January, 1943, put 1,683 new freight cars in service compared with 8,143 in the same month last year. Those installed in the first month of the current year included 620 hopper, 584 gondola, 370 flat, 65 automobile box, 17 plain box and 27 miscellaneous freight cars.

New locomotives put in service in January totaled 49, of which 44 were steam and five were electric and Diesel. New locomotives installed in January, 1942, totaled 71, of which 26 were steam and 45 were electric and Diesel.

Banking Institute To Hold Wartime Meeting

The wartime conference of the American Institute of Banking, which will take the place of the 41st annual meeting of the Institute in Chicago, June 9-10, will be devoted primarily to the essential business of the Institute and a study of its training program and the manpower problem which confronts the banking system in this war period, according to a pronouncement of the AIB Executive Council adopted at its meeting in Peoria on Jan. 19 and released for publication on Feb. 26. The statement issued by the Executive Council is as follows:

"This meeting will be held for the purpose of reviewing the Institute's training program and the manpower problem which confronts our banking system during the wartime period.

"For over 42 years the training of bank personnel has been the fundamental purpose of the American Institute of Banking, and this work is now more essential than ever. At the wartime conference, therefore, plans will be discussed to overcome the serious difficulties caused by the loss of trained personnel and to assist the banks in broadening the scope of their contribution to the war effort.

"Attendance at this conference is being restricted in accordance with the request of the Office of Defense Transportation and in full realization of the burdens being placed upon the transportation facilities of the nation."

Previous reference to plans for the meeting was made in these columns Dec. 24, page 2264.

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **American Savings & Loan Association**
  17 East First South Street, Salt Lake City, Utah
- **Berkeley Guarantee Building & Loan Association**
  2101 Shattuck Avenue, Berkeley, Calif.
- **California Federal Savings & Loan Association**
  5654 Wilshire Blvd., Los Angeles, Calif.
- **California Savings and Loan Company**
  673 Market Street, San Francisco, Calif.
- **Citizens' Federal Savings and Loan Association**
  654 Market Street, San Francisco, Calif.
- **First Federal Savings and Loan Association of Altadena**
  2455 North Lake Avenue, Altadena, Calif.
- **First Federal Savings and Loan Association of Beverly Hills**
  9501 Santa Monica Boulevard, Beverly Hills, Calif.
- **First Federal Savings and Loan Association of Hollywood**
  6763 Hollywood Boulevard, Hollywood, Calif.
- **First Federal Savings and Loan Association of Wewoka**
  211 South Wewoka Avenue, Wewoka, Okla.
- **Franklin Federal Savings and Loan Association**
  616 East Franklin Street, Richmond, Va.
- **Glendale Federal Savings and Loan Association**
  118 North Brand Boulevard, Glendale, Calif.
- **Home Federal Savings and Loan Association**
  945 Seventh Avenue, San Diego, Calif.
- **Home Mutual Deposit-Loan Company**
  160 Sutter Street, San Francisco, Calif.
- **Independent Building-Loan Association**
  16 East San Antonio Street, San Jose, Calif.
- **Mid Kansas Federal Savings and Loan Association**
  215 South William Street, Wichita, Kans.
- **Mutual Building & Loan Association of Pasadena**
  38 South Los Robles Avenue, Pasadena, Calif.
- **Northwestern Federal Savings & Loan Association**
  823 Marquette Avenue, Minneapolis, Minn.
- **St. Paul Federal Savings and Loan Association**
  Fourth at Wabasha Street, St. Paul, Minn.
- **San Diego Federal Savings & Loan Association**
  1027 Sixth Avenue, San Diego, Calif.
- **San Francisco Federal Savings and Loan Association**
  705 Market Street, San Francisco, Calif.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.
- **Wilshire Federal Savings and Loan Association**
  461 South Western Avenue, Los Angeles, Calif.

*Guardians, insurance companies, State, school and municipal sinking funds, firemen's, police and other pension funds, etc.

FDR Hails Red Army On 25th Anniversary

President Roosevelt paid tribute on Feb. 22 to the Red Army and the Russian people, declaring that they "have surely started the Hitler forces on the road to ultimate defeat, and have earned the lasting admiration of the people of the United States."

The President's declaration was made in a message to Premier Joseph Stalin, Supreme Commander of the armed forces of the Soviet Union, on the twenty-fifth anniversary of the Red Army.

Secretary of State Hull, in a statement praising the Red Army, declared that Americans "can fully understand the pride which the Soviet people have today in their armies and we rejoice with them in the ever-growing tide of success which is crowning their arms."

The President's message follows:

"On behalf of the people of the United States, I want to express to the Red Army, on its twenty-fifth anniversary, our profound admiration for its magnificent achievements, unsurpassed in all history.

"For many months, in spite of tremendous losses in men, supplies, transportation and territory, the Red Army denied victory to a most powerful enemy. It checked him at Leningrad, at Moscow, at Voronezh, in the Caucasus and finally, at the immortal Battle of Stalingrad, the Red Army not only defeated the enemy but launched the great offensive which is still moving forward along the whole front from the Baltic to the Black Sea. The enforced retreat of the enemy is costing him heavily in men, supplies, territory and especially in morale.

"Such achievements can only be accomplished by an army that has skillful leadership, sound organization, adequate training and above all, the determination to defeat the enemy, no matter what the cost in self-sacrifice.

"At the same time, I also wish to pay tribute to the Russian people from whom the Red Army springs, and upon whom it is dependent for its men, women and supplies. They, too, are giving their full efforts to the war and are making the supreme sacrifices.

"The Red Army and the Russian people have surely started the Hitler forces on the road to ultimate defeat and have earned the lasting admiration of the people of the United States."

In reply to the President's message, Premier Stalin expressed confidence on Feb. 23 that the enemy "will be smashed by the united power of our countries and all freedom-loving peoples."

The text of Mr. Stalin's reply, as recorded by the Soviet monitor in London, follows according to the Associated Press:

"Please accept my sincere thanks for your friendly message on the occasion of the twenty-fifth anniversary of the Red Army and for your high estimation of its military successes.

"I share your confidence that these successes open the way to the final defeat of our common enemy, which must and will be smashed by the united power of our countries and all freedom loving peoples."

At an earlier date (Feb. 16) President Roosevelt hailed the Russian capture of Kharkov as grand and told reporters at his press conference on that day that the Red Army had then taken two or three strong points the seizure of which made it more difficult for the Germans to undertake counter-offensives in the Spring. Advices to the effect that the sword of honor that King George VI plans to present to the city of Stalingrad would be accepted with gratitude, were indicated on Feb. 23 by President Mikhaeil Kalinin of Russia, according to Associated Press London account which added, "His answer to King George's offer was made public by the Soviet radio monitor, which quoted Mr. Kalinin as saying the blade would be received as 'a symbol of comradeship in arms between the peoples of Great Britain and the Soviet Union'."

The New York State Senate adopted a resolution on Feb. 23, hailing the Red Army on its twenty-fifth anniversary and expressing "the profound gratitude of the people of New York State to the fighting men and women of the Red Army, who, by their selfless heroism, have stemmed the Nazi tide, thus advancing the common cause of the United Nations."

No Change In Goal For Armed Forces: FDR

President Roosevelt declared on Feb. 19 that there is no intention to change the decision to have 11,000,000 men in the armed forces by the end of 1943.

The President told his press conference that the Army's goal for 1943 of 7,500,000 had been set six months ago, based on military needs, and had not been changed. About 800,000 officers would bring the total to 8,200,000 with the other branches of the service making up the planned total of 11,000,000 by the end of 1943.

Mr. Roosevelt further said that the 1944 goal would probably be decided on in the Fall but would not estimate now what it would be.

The President made these comments when asked about the farm labor shortage and efforts in Congress to enact legislation to restrict the size of the Army by deferment of men from agriculture. He stated that the food situation was serious but not beyond solution.

The President was later the same day (Feb. 19) reported to have agreed that soldiers could help harvest crops in emergency cases. Representative Fulmer (Dem., S. C.), Chairman of the House Agriculture Committee, said Mr. Roosevelt agreed to his suggestion of sending a specified number of soldiers from near-by camps into farm areas for short periods of time.

House Favors Deferment Of Family Men In Draft

Legislation to put draft quotas on a State-wide basis and give family men draft deferment priorities was approved on Feb. 18 by the House Military Afairs Committee by a vote of 23 to 2.

In its formal report to the House on Feb. 20, the Committee expressed the belief that "it would be injurious to the welfare of our country to have local draft boards feel that men with families can be freely inducted into the armed services."

This bill, sponsored by Representative Kilday (Dem., Tex.), is opposed by the Army as likely to make administration of the draft "very difficult" and to force the induction of "undesirables."

The legislation is regarded as an attempt to nullify the recent order of the War Manpower Commission that dependency is not a ground for draft deferment and that men in non-essential industries must shift to essential ones or face induction.

Under the Kilday bill, the following order of preference in induction would be established:

1. Single men with no dependents.
2. Single men with collateral dependents.
3. Married men with no children.
4. Married men with children.

The measure would not bar the induction of heads of families but does provide that so long as there are single and childless men not holding key posts in vital war industries are available, they must be called first.

Included in the measure are amendments designed to protect all present industrial and agricultural deferments and also one forbidding the induction of men by occupational groups.

The House Committee's report asserted that "many local boards throughout the country, due to confusion and difference of opinion in the construction of the rules and regulations adopted by the (Selective Service) Bureau have been inducting large numbers of men into the armed forces with little regard for the number of dependents, particularly in relation to men who are the heads of families."

The Committee held that enactment of the legislation would be "highly beneficial to the armed forces and aid much in the prosecution of the war, and at the same time maintain and preserve the institution of the American home, as well as alleviate to some extent the urgent and much needed demand for additional productive manpower on our home front."

Earnings, Employment At New Peaks

Earnings, hours, employment, man hours and payrolls rose to new peaks in December, 1942, according to the National Industrial Conference Board's regular monthly survey of labor statistics in 25 manufacturing industries. The work week averaged more hours than in any other month since June, 1930.

The Board's announcement further said:

"Hourly earnings at $.970 were 0.4% higher than in November, 11.8% above those a year before and 64.4% greater than in 1929.

"Hours per week advanced 1.1% to average 44.2. They were 6.3% more than in December, 1941, and only 8.5% less than in 1929.

"The average manufacturing worker was able to increase his weekly income from $42.50 in November to $42.99 in December or 19.2% above that of December, 1941. Since living costs rose only 8.4% in the 12 months, he was able to purchase 10.0% more commodities and services in December, 1942, than he could in the same month of 1941. The increase since 1929 is 49.3%.

"Principally because of expanded employment in December, 1942, 21.4% more man hours were worked than in the previous year and total payrolls rose to new peak levels, 36.4% above those of December, 1941. The index of man hours rose from 125.9 in November to 130.3 in December, and that of payrolls from 226.5 to 234.5.

"Despite the withdrawal of men from industry into the armed forces and the curtailment of production of nonwar items, total employment rose 14.4% during the first full year of wartime production. Total wage-rate increases for 1942 averaged for all workers would amount to approximately 4.0%.

"Overtime payments contributed substantially to the increase in average hourly earnings. If the same workers who had been employed in these industries in December, 1941, had remained in them at the close of last year, the increase in hourly earnings undoubtedly would have been greater. The employment of larger numbers of untrained, and consequently lower-paid, men and women served to reduce average earnings. This factor not only offset to some extent the effect of the wage-rate increases and overtime payments, but probably lowered the average incentive payments per worker."

President Writes "Post Dispatch" We Have Turned Corner

President Roosevelt said on Feb. 20, in a letter to the St. Louis "Post-Dispatch," that "after long months of preparation, of 'holding on,' we have now turned the corner in the war."

The President declared that "now that we are on the march toward ultimate victory, there is an important job of education to be done so that the tragedy of war will not come again." According to the United Press, Mr. Roosevelt's letter was published along with the first of a series of articles discussing the aims of the war and the peace to follow.

The President's letter, as reported in the United Press, follows:

"I want to take this opportunity to commend The St. Louis 'Post-Dispatch' for its interest in publishing a series of articles which discuss the aims and objectives for which the United States and the United Nations are fighting. There cannot be too much discussion of this kind, and there could not be a better time for it.

"This is particularly true because, after the long months of preparation, of 'holding on,' we have now turned the corner in the war. Our primary job in those early days was survival; we had to beat the aggressors back. Now that we are on the march toward ultimate victory, there is an important job of education to be done so that the tragedy of war will not come again. We are fighting for freedom—not only for ourselves but for all people everywhere.

"Very sincerely yours,
"Franklin D. Roosevelt."

Dies Committee Continued

The House on Feb. 18 voted $75,000 to finance the special committee investigating un- American activities. The group, which is headed by Representative Dies (Dem., Tex.), was given a two-year extension by the House on Feb. 10 by a vote of 302 to 94.

The roll-call vote to finance continuation of the inquiry was announced as 278 to 94.

The renewal of the Committee's life on Feb. 10 was the fifth since its creation in May, 1938. The Committee's four-and-one-half-year investigation into subversive activities has cost approximately $500,000. In this time it has amassed 14,000 pages of official proceedings—11,000 printed pages of testimony and 3,000 pages of reports. Chairman Dies defended the Committee's record as being of invaluable aid to the Government.

Four members of the Committee continue to serve on the group; they are Chairman Dies, Representative Starnes of Alabama, Mason of Illinois and Thomas of New Jersey. New members are Representatives Courtney of Tennessee, Costello of California, Eberharter of Pennsylvania and Mundt of South Dakota.

Johnston Of U. S. Chamber Tours Latin America

Eric A. Johnston, President of the U. S. Chamber of Commerce, told members of the Brazilian Commercial Association at Rio de Janeiro on Feb. 18 that the end of the war would remove the threat of invasion of Brazil from Africa.

Speaking at a luncheon tendered him by the organization, Mr. Johnston said he had been charged by President Roosevelt to transmit the following message:

"The eventual peace treaty will remove permanently all possibility of the threat of invasion of Brazil from Africa by any power."

Mr. Johnston left Washington on Feb. 12 for a tour of six South American countries, planning to visit, as Chairman of the U. S. Commission of Inter-American Development, Brazil, Argentina, Uruguay, Chile, Peru and Colombia.

Before his departure he conferred with President Roosevelt. At that time Mr. Johnston was quoted as saying in a Washington dispatch to the New York "Times":

"The progressive business leadership of the United States believes that through cooperation with the Latin-American nations in their economic development the whole plane of Americanism can be elevated to a much higher scale, both in the North and South of the hemisphere."

It was also stated that Mr. Johnston is accompanied by William F. MacHold of the Office of Inter-American Affairs and by members of the staff of the United States Chamber of Commerce.

At Buenos Aires, Argentina. on Feb. 24 Mr. Johnston visited Foreign Minister Enrique Ruiz Guinazu after arriving from Montevideo, Uruguay.

New York Savings Bank Life Insurance System Shows Large Growth

Substantial growth in the Savings Bank Life Insurance System this past year was indicated in a report made by Judge Edward A. Richards, President of the Savings Banks Life Insurance Fund, at a meeting of the trustees of the fund in New York City on Feb. 25. Assets of the 26 New York State mutual savings banks now operating life insurance departments increased from $1,189,687 as of Dec. 31, 1941, to $1,787,332 on Dec. 31, 1942. Forty-five percent of the entire assets of the Savings Bank Life Insurance System are invested in Government bonds.

The announcement bearing on the report further said:

"The legal reserve of the system as of Dec. 31, 1942, was $1,151,146 as compared with $655,540 as of Dec. 31, 1941, an increase of 75%.

"Mortality for the system in 1942 was the lowest for any of the four years since the inception of this plan of life insurance. Death claims amounted to $27,458, only 11.4% of "expected" mortality, according to the American Experience Mortality Table.

"Interest earned on invested funds stands at 3.18% for 1942, as against 3.04% for 1941.

"Volume of new issues for 1942 was $9,800,000, showing an increase over any previous year in spite of war conditions which have tended to slow down the issuance of life insurance generally."

N. Y. Stock Exchange Borrowings Higher

The New York Stock Exchange announced on March 4 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Feb. 27 was $355 635,204, an increase of $24,511,370 over the Jan. 30 total of $331,123,834.

The following is the Stock Exchange's announcement:

"The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by NYSE member firms as of the close of business Feb. 27, 1943, aggregated $355,635,204.

"The total of money borrowed, compiled on the same basis, as of the close of business Jan. 30, 1943, was $331,123,834."

Lend-Lease Shipments To Russia Increasing

Edward R. Stettinius Jr., Lend-Lease Administrator, announced on Feb. 19 that since the beginning of the Soviet aid program the United States has shipped more than 2,900,000 tons of war supplies to the Soviet Union.

Lend-Lease shipments of war supplies to the Soviet Union in January, Mr. Stettinius said, were almost 10% greater than in the previous month.

The Administrator's statement continued:

"The great majority of the supplies that we have shipped to Russia are reaching their destinations. In December, 1942, and January, 1943, there were no losses, although further losses in later months are to be expected.

"Two thirds of all shipments to the Soviet Union from the United States have been made in American ships.

"The Soviet Army continues to sustain its great offensives principally with Russian - produced weapons. Lend-Lease supplies have played a small but important part. American tanks, planes and trucks, are continuing to go forward. In addition we have sent to the Soviet Union many other vital military supplies. For example, we have sent hundreds of thousands of miles of field telephone wire which have been of major importance in the maintenance of Soviet Army communications on the 3,000-mile Russian front. We have shipped a considerable amount of steel, which Soviet factories have made into Russian tanks, and chemicals, which they have used in the manufacture of Russian bombs and high-explosive shells that are now ripping apart the Nazi lines.

"January shipments of food to Russia were one-fifth larger than in December. This food is urgently needed by the Soviet Army. We sent many thousands of tons of wheat and flour, sugar, canned pork, dried beans and other vegetables, lard and vegetable fats. We have so far been able to send only very small amounts of butter, which the Russians have requested especially for their wounded soldiers in military hospitals. In January butter shipments amounted to 682 tons. This was the equivalent of less than one-sixth of an ounce from each man, woman and child in the United States.

"We shall continue to make every effort to increase the flow of Lend-Lease supplies for Russia to greater proportions."

A report on Lend-Lease shipments to Russia up to Jan. 1 was given in our issue of Feb. 4, page 499.

Policy On 'War Jobs' Defined By McNutt

"A war job does not mean merely a job in aircraft or ships, ordnance, or ammunition," Paul V. McNutt, Chairman of the War Manpower Commission, pointed out on Feb. 10 in his comments regarding the list of non-deferable occupations and activities which he recently issued.

"People must be housed and clothed and fed in war-time as well as in peace," Mr. McNutt said. Essential civilian activities are on an equal plane with basic war industries in our war effort. Registrants engaging in such essential civilian activities as agriculture, food processing, mining, textiles, transportation, communications, heating power and educational services are equally protected with respect to occupational classification and dependency status as those engaged in basic war industries.

The announcement from the WMC further said:

"Mr. McNutt issued his statement after a request to define the term 'war jobs' which had been repeatedly used in public discussion of the new policy regarding non-deferable occupations and activities. He said that men of military age currently employed in such occupations and activities should not now leave their jobs merely because the occupation appears on the non-deferable list.

"Mr. McNutt emphasized that the transfer is expected to take place in an orderly manner. He urged such men to register at the local employment office of the War Manpower Commission in order that the most effective placement of our man power in the war program might be assured.

"Local Selective Service Boards are instructed not to reclassify registrants in accordance with the new policy on non-deferable occupations and activities until April 1 and not to induct such registrants who are presently deferred because of dependency until 30 days have elapsed following registration in an employment office for transfer to an essential activity.

"Mr. McNutt further pointed out that the failure to include a specific activity in the list of essential activities does not mean that the non-deferable occupations and activities policy is applied to such an activity. Many occupations occuring in activities not included in the list of essential activities involve skills which are extremely important in the war program."

The non-deferable occupational policy was referred to in these columns on Feb. 11, page 579.

Midland Bank (London) Profits For Year 1942

The directors of the Midland Bank, Ltd. (head office London), report that, full provision having been made for all bad and doubtful debts and for contingencies, the net profits for the year ended Dec. 31, 1942, amounted to £1,997,131 18s. 4d., to which has been added the balance of £626,681 8d. brought forward from the last account, making together a total sum of £2,623,812 19s., out of which the following appropriations have been made: To interim dividend paid July 15, last, for the half-year ended June 30, 1942, at the rate of 8% actual less income tax at 10s. 0d., £606,344 16s. 9d.; to contingent account for war damage reserve fund £500,000, and to reserve for future contingencies, £250,000, leaving the sum of £1,267,468 2s. 3d., from which the directors recommended a dividend, payable Feb. 1, 1943, for the half-year ended Dec. 31, last, at the rate of 8% actual, less income tax, calling for £606,344 16s. 9d., leaving a balance of £661,123 5s. 6d. to be carried forward to the next account.

The Midland Bank, Ltd., and its four affiliated companies — the Belfast, Clydesdale and North of Scotland Banks and the Midland Bank Executor and Trustee Co.— in its consolidated statement of liabilities and assets as of Dec. 31, 1942, shows total assets of £907,018,350, as compared with £830,454,998 on Dec. 31, 1941, and £701,888,282 on Dec. 31, 1940. Current, deposit and other accounts in the latest statement are reported at £851,786,582, as compared with £775,862,987 and £650,734,470 on the earlier dates. The bank's paid-up capital is listed at £15,158,621, the same as in the two previous year-end statements, but the reserve fund is now £12,910,609, as against £12,410,609 on the two previous year-ends.

Deposits of the Midland Bank, Ltd., on Dec. 31, 1942, totaling £760,094,994, are, it is announced, the largest ever recorded by any joint stock bank in the British Empire.

In a statement presented at the annual shareholders' meeting in January (in lieu of the speech usually delivered), the Chairman, R. McKenna, said, in part:

"The profit and loss account shows that, after allowing for income tax and N.D.C., there is a net profit for the year of £1,997,000—a small increase on the amount for 1941. In comparing these figures with those for pre-war years it must be remembered that any expansion in our gross trading income resulting from the greater total of assets is heavily counterbalanced by increased expenses; on staff alone, for example, we spend over £6 millions a year. Further, we have suffered a severe loss of income from the curtailment of the volume of business in such services as foreign exchange operations, acceptances and guarantees, and stock exchange transactions on behalf of customers. In the disposal of the profit now recorded we propose that the final, like the interim, dividend shall be at the same rate as for some years past, namely 16% per annum, subject to tax. These distributions absorb £1,213,000. In view of the absence of any further serious war damage, we think it unnecessary to make an allocation on this account; but to add to the strength of our position in face of the manifold uncertainties of the future, we have applied £250,000 to reserve for future contingencies. The other appropriation is more noteworthy. For many years until 1931 the reserve fund, shown in the balance sheet, stood at an amount equal to the paid-up capital; but, partly in view of the heavy depreciation of investments which took place in that year, we wrote roughly £2¾ millions off the fund. We feel the time has now come for partial restoration, and for that purpose we have set aside £500,000 out of last year's profit. This leaves the balance carried forward on the profit and loss account somewhat higher on the year.

"Our affiliated undertakings are able to present a record of continued good service to the public despite the difficulties which each, in its sphere, shares with our own bank."

No Funds For Farm 'Incentive Payments'

A House Appropriations subcommittee voted 6 to 1 on Feb. 15 to turn down President Roosevelt's request for $100,000,000 for the Agriculture Department's "incentive payment" program.

Following this move, Secretary of Agriculture Wickard issued a statement expressing regret but appeared hopeful that action on the payment would be reversed. However, he added, the Department will not reduce its goals and farmers were asked to meet them "regardless of the uncertainties now prevailing."

The President requested the funds on Feb. 11 to encourage farmers to increase their production in 1943 of peanuts, soybeans, flax, potatoes, dried beans, truck crops, grain sorghums and sweet potatoes.

In submitting the request to the House, the Budget Bureau observed in a report:

"A recent review of the food situation indicated the necessity of increasing the 1943 goals in these commodities.

"In order to provide farmers with the incentives necessary to encourage them to reach or exceed the increased goals, it appears necessary either to raise general price levels for these crops or to make specific provision for offsetting the higher costs of the additional units of production.

"It is proposed that the increased costs of the additional production should be provided for through the use of direct incentive payments."

An item regarding this program and criticism of it appeared in these columns Feb. 11, page 589.

Post-War Planning Is Favored By Public, NAM Survey Finds

Those who say "let's not talk about post-war problems until we have won the war," are out of step with the American public, according to a survey conducted by the Psychological Corporation and released Feb. 14 by the National Association of Manufacturers.

To keep American industry informed about what the public is thinking, the National Association of Manufacturers makes constant use of accredited organizations for surveying public opinion on questions and issues affecting industry. According to the Board, the Psychological Corporation poll, reflecting proportionate opinion of all wage groups and all sections of the country, shows an overwhelming majority of 92% favoring immediate planning for the post-war era. Only 6% are opposed and 2% undecided. The Board further says:

"The public also is convinced that industry should be working now to develop new and better products, 75% voting "yes" to this question and only 13% dissenting. On the question of whether the government should now plan a vast public works program for the post-war period, the majority in favor decreases to 61% with 24% opposed.

"On questions pertaining to post-war government controls, there are sharp divisions of opinion. A big majority of 82% is for discontinuation of rationing such items as fuel and food after the war, but opinion is virtually divided down the middle on whether control of prices should be continued. The public voted 51% to 37% against post-war continuation of wage and salary control.

Private management of business received a vote of confidence on the question: "Do you think that business companies will do a better job if they are allowed to keep on under their own management, or if the government takes them over and runs them completely?"

Excluding the 19% answering "don't know," the vote in favor of business management was almost 5 to 1—67% of those questioned answering "yes" and 14% answering "no."

Business also appears to be more than holding its own on the question of "more or less control" by government. 47% of the people want less control of business by the government; 30% want more. These figures represent a rise of 1% in those favoring less control and a decline of 8% in those wanting more control when this question was asked in October, 1941. The difference is found in the "don't know" column, which rose from 16% to 23%.

Expenses And Income In 1942 For N. Y. Curb

The New York Curb Exchanges and its affiliates, New York Curb Exchange Realty Associates, Inc. and New York Curb Exchange Securities Clearing Corporation, showed an excess of expenses over income for 1942 of $81,121, the Exchange announced on Feb. 23. This figure includes depreciation of $101,681. In 1941 expenses exceeded income by $55,871. The net loss for the year, after write-offs and adjustments, was $105,003 as against $93,461 in the preceding year. Write-offs included $14,469, the Exchange's share of the cost of retiring 29 memberships (the last of 50 planned for retirement in July, 1941); $9,723 for depreciation of general equipment; provision for insurance reserve of $1,698; and uncollectible membership dues and retirements of $249. This latter figure it is pointed out by the Curb is contrastingly lower when compared with $6,287 in 1941.

The Curb's announcement further said:

"Before depreciation of $101,681 and amortization of telephone equipment in the amount of $4,695, the Exchange showed an operating profit for 1942 of $25,255 as against $57,312 in the preceding year.

"Total income for 1942 was $770,344, $151,513 less than in 1941. Receipts from dues were off $29,753 to $375,759 because of the reduction in standing number of regular memberships from 550 to 499. The Securities Clearing Corporation earned $98,137, a drop of $74,669, and telephone quotation service charge fell off $12,668 to $46,463. Rent revenue was improved by $31,486 over last year's (1941) total from that source of $78,169. Listing fees fell off $19,898 to $10,823, and ticker royalties totaled $14,648, $5,812 below that for 1941.

"To cope with reduced revenue, the Exchange effected a reduction in expenses of $126,263. Salaries were off $59,568 to $400,711. In this connection, there was a 100% turnover in personnel, and all but 45 of the 198 employees who left the Exchange during the year were replaced. Legal expenses dropped $12,796 to $28,255, building repair and supply costs were $11,121 below $33,193 for 1941, stationery and printing charges were $8,148 less, and a $5,809 savings was accomplished in tax payments which were $130,505 in 1941.

"Current assets at the end of 1942 were $695,804, of which $667,846 was in cash. In addition, the Exchange holds $100,000 of U. S. Treasury Certificates which bear interest at the rate of ⅞ of 1%. At the end of 1941 current assets were $798,462, of which $747,832 was in cash.

"Current liabilities were $11,044, exclusive of $17,728 in City improvement assessments which is being paid under a protest now pending. The change in liabilities from 1941 is negligible, being but $103 greater.

"Net equity of the 499 regular memberships at the end of 1942 was $4,592,368, or $9,203 for each seat, as against $4,697,371, or $8,880 at the end of 1941 when there were 529 regular memberships. Recent seat sales have been at $2,500, the highest since February, 1941."

Strikes In Dec. And 1942

Man-days lost from war production by strikes in December maintained November's low level of 3/100 of 1% of total man-days worked, just half the twelve-month average of 6/100 of 1%, the National War Labor Board reported on Feb. 7 and added:

While the number of man-days rose from 91,925 in November to 119,572 in December, the number of days worked rose at the same time from 350 million to approximately 385 million. The number of men involved in war production strikes in progress in December was 49,375, and the number of strikes in progress during the month was 101.

Six man-days were lost in 1942 for every ten thousand days worked. Out of 3,339,000,000 days worked, 2,095,294 days were lost in strikes. There were 1,363 strikes in war industries in progress during the year, involving 569,801 men.

Man-days of idleness due to strikes during the first year of war were one-fourth the average for the preceding five years of peace. The monthly average for the 1937-1941 period was 1,418,896 man-days lost in all industry, compared to an average in 1942 of 380,417 days lost per month in all industry and 174,608 days lost per month in war industry.

Factory Worker Wage Gains Outstrip Increased Living Costs, Survey Reveals

The average factory worker has improved his living standard—his purchasing power in goods and services—41.4% in more than three years of war despite the steady rise in living costs, according to an anlysis of "real" wages released Feb. 26 by the National Association of Manufacturers.

This analysis is part of a complete survey, "The Effect of the War on Income, Wages and Living Costs," made by the Statistical Department of the Association. The study covers the period from August, 1939 when war broke out in Europe, through November, 1942. Eight charts and many statistical tables are included in the 30-page survey. It is pointed out that it should be borne in mind constantly, that the percentages, particularly with respect to cost of living increases during the period are on a national basis and may not reflect the actual rate of increase in an individual community or area.

Explaining that "the relationship between actual earnings and the cost of living is best expressed in an index figure known as 'real' wages," the survey states:

"Real wages, either weekly or hourly, are derived by dividing wages by the index of the cost of living. In this way the purchasing power of wages can be determined with respect to a given base period. The indexes of 'real' wages reveal that the purchasing power of factory workers since August, 1939 has actually been increased in spite of the rise in the cost of living.

"'Real' weekly earnings have increased 41.4% while 'real' hourly earnings have increased 16.7%. These figures mean that the average factory worker can purchase 41.4% more in goods and services as a result of his work than he could in August, 1939."

The Board notes that the trend in wages and hours of work, revealed in detail in the numerous charts and tables, is shown only in manufacturing industries because complete figures are not available for most of the other industries. The survey states:

"In August, 1939 — the month before the European war broke out—average hourly earnings in manufacturing were 63 cents. Average hourly wages began to rise early in 1940 and by December, 1940, the average hourly wage was 68 cents. Still further rises have been registered in 1941 and 1942 so that by November, 1942, the latest available figure, average hourly earnings in manufacturing were 90 cents.

"It should be noted that these figures are not basic hourly wage rates. They are the average hourly earnings in manufacturing industries and are determined by dividing the Bureau of Labor Statistics' reports of weekly earnings by the number of hours worked. Therefore, the average hourly earnings include overtime payments, as well as increases in the basic hourly wage rates.

"From August, 1939 to August, 1942, the average weekly earnings in manufacturing increased from $24.52 to $39.54. The increase in the average weekly 'take-home' earnings is due in part to the longer work-week and over-time payments, as well as to increases in the basic wage rates. In August, 1939, factory workers averaged 38 hours of work per week.

"The work week has steadily increased throughout the entire period until in November, 1942 the average work week in manufacturing was 44 hours. Since over-time rates began at 40 hours, it was clear that the increased earnings are in large part due to over-time payments. In certain industries the work week is far above the average. For example, in the machine tool industry the average work week is 52.8 hours. On the other hand, in blast furnaces, steel works and rolling mills which operate on a three-shift basis, there is practically no over-time and the average work week is 41 hours.

"The increase in factory earnings and in hours is best illustrated by the percentage rise since August, 1939. From August, 1939 to November, 1942, the average hours worked per week have increased 15.8%. Average hourly earnings have increased 41.8% in this period and the average weekly earnings have increased 71.8%.

"Such, in brief, is the record of the increased earnings of factory workers since August, 1939. During this period, living costs have also risen. From August, 1939 to May, 1942, according to the index of the Bureau of Labor Statistics, the cost of living has increased 17.6%. It is obvious, however, that the wages in manufacturing industry, as a whole, have risen much faster than the cost of living. This is particularly true of weekly earnings which reflect the longer work week and over-time payments."

FDR Opens Red Cross Drive for $125,000,000

President Roosevelt appealed on Feb. 28 for support of the 1943 Red Cross War Fund Campaign to raise $125,000,000, saying it is the "greatest single crusade of mercy in all history."

The President's message was read to a nation-wide radio audience by Norman H. Davis, Chairman of the American Red Cross—the President having been obliged to forego the delivery of his message owing to a slight indisposition. Also joining in the program were Gen. Dwight D. Eisenhower, speaking from North Africa, and Admiral Chester W. Nimitz, Commander-in-Chief of the United States Pacific Fleet.

In his message the President said that "we undertake this greatest of all Red Cross crusades in the name of mercy, now that we are engaged in a war to decide whether all our concepts of mercy and human decency are strong enough to survive."

Gen. Eisenhower praised the work being done by the Red Cross and called the organization "the constant and faithful friend of our fighting Army."

Admiral Nimitz said that the foresight of the Red Cross in having banks of blood plasma ready "was instrumental in saving the lives of hundreds of wounded on Dec. 7 at Pearl Harbor." He added that contributions to the Red Cross "to enable that agency to carry on its morale-building work is a direct contribution to the spirit and morale of our fighting forces."

The text of the President's appeal follows:

"Just a few weeks ago I was privileged to visit a part of the North African theater of war, and to see and talk with our soldiers and sailors who man that front. Among these men in North Africa are the sons and brothers and husbands and friends of many of you who are listening at this moment. I wish it were somehow possible to share my experience with you, because I know what it would mean to you to have the chance to clasp the hand of some relative or friend thousands of miles from home, and to wish him well.

"There is one way for you, however, to reach this hand of love and friendship across the ocean. For wherever our fighting men are—all over the world—the American Red Cross is by their side, extending always the arm of helpfulness and comfort.

"At home, we have grown accustomed to the role of the Red Cross in every national emergency, in every local catastrophe—a generous friend to those overtaken by tragedy. Even our enemies know about the American Red Cross, because it has never let international boundaries act as the limits of its mercy.

"The American Red Cross begins today the greatest single crusade of mercy in all history. It is undertaking a task unprecedented—because this war is unprecedented. We undertake this greatest of all Red Cross crusades in the name of mercy—now that we are engaged in a war to decide whether all our concepts of mercy and human decency are strong enough to survive.

"In the Axis nations mercy and decency are regarded as synonyms for weakness and decadence.

"In our land it is from our great tradition of mercy that we take part of our strength.

"Each one of you who has a friend or relative in uniform will measure the significance of this crusade in your own heart. You—at your house today—know better than any one else what it means to be sure that the Red Cross stands at the side of our soldiers or sailors or marines wherever they may be. All of us—130,000,000—know how indispensable to victory is the work of this great agency which goes on every minute of every day—everywhere on earth where it is needed.

"By proclamation, I have designated the month of March as Red Cross Month. To make sure that every American boy on every fighting front has everything he needs which the Red Cross can supply it will require at least $125,000,000.

"That is all that we need to know—we will not fail."

Navy Fund Bill Passed By House

The House passed on Feb. 23 a $1,256,607,000 authorization bill for construction of Naval shore establishments, of which $720,000,000 would be used for advance bases.

The measure was sent to the Senate on a 373-to-0 recorded vote. Included in the bill was a clause written in by the House Naval Affairs Committee requiring Secretary of the Navy Knox to report to the House and Senate Naval Committees prior to acquiring land under the authorization.

Representative Maas (Rep., Minn.), who was in charge of the bill, told the House that the Naval Affairs group had furthermore received assurance from Secretary Knox that no purchases of land for Naval air stations would be made without consultation with the Committee.

The House Naval Affairs Committee, in considering the Navy Department's request for funds, had reduced the amount of the authorization by $243,393,000, including a $223,313,000 item for "miscellaneous and unforeseen facilities."

Among the facilities provided for by the authorization are the following:

Fleet, $67,900,000; aviation, $223,000,000; storage, $65,000,000; Marine training, $28,632,000; Navy personnel training and housing, $33,120,000; hospitals, $66,005,000; shore radio, $3,500,000; Naval Research Laboratory, $750,000; miscellaneous structures, $33,000,000, and passive defense, $15,000,000.

Fear Point Rationing System May Force Small Concerns Out Of Business

A recent report by the House Committee on Small Business expressed concern as to the possible effect which the point-rationing system would have on retail grocers, many of whom, it said, might be forced out of business. The Committee, headed by Representative Patman (Democrat) of Texas, stated that "the inauguration of any such system may prove to be the proverbial last straw and that the proprietors of tens of thousands of food stores may yield to despair and close their doors."

The Committee, it is also indicated, questioned whether the need for general food rationing has been established and recommended an investigation of the Lend-Lease Administration to determine its effect on civilian supplies. In its report, made public Feb. 15, the Committee, according to the Associated Press, commented that "the war effort on the production front as a whole still lacks to an alarming degree efficient coordination," and asserted small business faces extinction because of lack of sympathetic consideration in the war program.

The same advices stated that the Committee reported that it had received testimony presenting "a shocking picture of bureaucratic buck-passing, incompetent and listless administration . . . on the part of certain interests to protect their companies at the expense of the war effort."

From the Associated Press advices we also quote:

"The Committee urged that the Smaller War Plants Corp., an arm of the WPB, be reorganized to give 'competent management' and take prime contracts for war materials of simple construction and for essential civilian supplies and sublet the contracts to small concerns.

"Other recommendations included:

"Immediate action by Government agencies 'to assure the production of adequate food supplies,' with classification of the processing and distribution of food as 'essential war industries.'

"Equitable distribution of available food supplies among large and small distributors.

"Investigation of the Lend-Lease Administration to determine its effect on United States civilian supplies.

"Revision of OPA policies to permit the passing on of price increases to all levels of distribution; to guarantee 'a reasonable net profit' over operating costs, and to prevent compulsory changes in business practices and cost practices.

"Suspension of the WPB 'concentration of industry program' and provision for fair compensation to owners of business forced to close.

"Draft deferment of enough automobile mechanics to keep 'essential civilian cars and trucks rolling.'

"The Committee observed:

"'There seems to have been over-emphasis on production for military use and under-emphasis on production for civilian use. . . . There are appearing ominous signs that insufficient attention is being given to the maintenance of a proper volume of essential civilian production.'

"The War Manpower Commission 'does not appear to have afforded business . . . any substantial relief from a critical condition caused by indiscriminate drafting of men for the armed services,' it continued.

"'The structure of the Office of Price Administration is incapable of dealing effectively with the problem of controlling price inflation.'"

Multilith Workers Are Needed In Federal Jobs

To meet war needs for multilith cameramen-platemakers and press operators for Federal agencies, the United States Civil Service Commission has modified requirements in order to secure applicants. Women are being placed in multilith work, says the advices from the Commission, which also states:

"Positions now pay $1,970 a year for cameraman-platemaker, and $1,752 a year for press operator—an increase over previous salaries because of compensation for overtime.

"For cameraman-platemaker, one year of paid experience in multilith work is qualifying, provided six months of it was in the photographic and platemaking phases of the multilith process. This work must have included the operation of a copying camera, development of negatives, sensitizing of multilith plates, transfer of prints from negatives to plates, and preparation of plates for use in the multilith machine.

"Training may qualify for press operator—80 hours of instruction, including not less than 50 hours in actual operation of a multilith press. Persons may also qualify for press operator positions by having at least three months of paid experience in the operation of a multilith press.

"Applicants must be 16 years or over—no maximum age limit. No written test is required. Applications, available at first- and second-class post offices, the Commission's regional offices, or the Commission in Washington, D. C., should be sent to the Commission's Washington office. War workers now utilizing their highest skills, or prohibited from change of employment by War Manpower Commission restrictions, should not apply."

$6 Billion Deficiency Bill Voted By House

The House passed on Feb. 26 a $6,298,000,000 deficiency appropriation bill, chiefly for merchant ship construction. The cuts made by the Appropriations Committee in funds for the National Resources Planning Board, the War Manpower Commission and the Labor Department's Children's Bureau were not restored.

The Committee had refused:

$200,000 requested by the National Resources Planning Board, headed by Frederic A. Delano, the President's uncle.

$2,454,000 which Paul V. McNutt had proclaimed is essential if the War Manpower Commission is to discharge its duties.

$337,000 asked by Secretary of Labor Frances Perkins for work in curbing absenteeism in war factories and improving working conditions.

On the ground that there was no enabling legislation for the appropriations, the Committee had also declined requests for $2,973,000 for payments to States for care of children of employed mothers; $3,182,000 for payments on costs of the high school victory corps, and $1,200,000 for emergency grants for maternity and infant care in enlisted men's families.

Of the total in the bill, $6,173,719,545 was earmarked for continuance of the Maritime Commission's program calling for construction of 4,403 ships with a total of 44,000,000 deadweight tons.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 9	116.90	109.24	117.60	115.24	110.34	95.62	100.16	112.93	115.43
8	116.93	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.43
6	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
4	117.02	109.42	117.80	115.24	110.34	95.92	100.32	112.93	115.43
3	117.02	109.24	117.60	115.24	110.15	95.77	100.16	112.93	115.43
2	117.07	109.24	117.60	115.24	110.15	95.62	100.16	112.93	115.43
1	117.10	109.24	117.60	115.43	110.15	95.77	100.16	112.93	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.42	117.80	115.43	110.34	95.92	100.32	113.12	115.63
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Mar. 9, 1942	117.45	106.39	115.63	113.12	107.44	91.48	96.85	109.79	113.12
2 Years ago									
Mar. 8, 1941	117.01	106.04	117.40	113.12	106.56	90.20	96.23	109.97	113.12

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 9	2.07	3.21	2.77	2.89	3.15	4.03	3.74	3.01	2.88
8	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.01	2.88
6	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
4	2.06	3.20	2.76	2.89	3.15	4.01	3.73	3.01	2.88
3	2.06	3.21	2.77	2.89	3.16	4.02	3.74	3.01	2.88
2	2.06	3.21	2.77	2.89	3.16	4.03	3.74	3.01	2.88
1	2.06	3.21	2.77	2.88	3.16	4.02	3.74	3.01	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.20	2.76	2.88	3.15	4.01	3.73	3.00	2.87
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Mar. 9, 1942	2.02	3.37	2.87	3.00	3.31	4.31	3.95	3.18	3.00
2 Years ago									
Mar. 8, 1941	2.05	3.39	2.78	3.00	3.36	4.40	3.99	3.17	3.00

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

Moody's Common Stock Yields

Yearly average yields in the years 1929 to 1941 inclusive and monthly average yields for 1941 will be found on page 2218 of the June 11, 1942 issue of the "Chronicle."

MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS

Month—	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
February, 1942	7.2%	7.4%	7.7%	5.6%	4.6%	7.1%
March, 1942	7.7	8.2	8.5	6.0	5.0	7.7
April, 1942	7.7	8.3	8.9	6.1	5.3	7.8
May, 1942	6.7	7.8	8.2	5.7	4.9	6.9
June, 1942	6.4	7.8	8.4	5.6	4.8	6.6
July, 1942	6.1	7.7	8.2	5.5	4.7	6.4
August, 1942	6.0	7.5	8.0	5.1	4.7	6.3
September, 1942	5.8	7.3	7.9	4.9	4.5	6.1
October, 1942	5.5	7.0	7.2	5.0	4.4	5.8
November, 1942	5.5	8.0	7.1	5.2	4.5	5.9
December, 1942	5.3	8.6	7.2	5.0	4.2	5.7
January, 1943	5.0	7.9	6.8	4.5	4.1	5.4
February, 1943	4.7	7.3	6.3	4.4	4.1	5.1

Steel Operations Again Rise—Record Plate Output Expected In March—Orders Heavier

"The all-out effort to eliminate critical shortages of aircraft steel holds promise of succeeding, says "The Iron Age" in its issue of today (March 11), which further adds in part as follows:

"At least two months recently have been clipped off the time required from the start of raw materials for aircraft until the finished plane flies away. If all goes well, about 95% of all aircraft steel melting schedules will be fixed firmly by the first of each month, with the remainder left open for Aircraft Scheduling Unit emergency orders.

"Meanwhile, shortages of alloy steels are forcing more and more substitutions in fields other than aircraft. The Tank-Automotive Center at Detroit, for example, has devised a system to expedite substitutes when a manufacturer finds it impossible to obtain the desired alloy steel. Examination of captured German tanks shows that the Nazis have also been making many substitutions and using armor which consists simply of heat treated carbon steels.

"In the steel industry this week, orders are much heavier with railroad car and locomotive builders placing commitments and users of plate and alloy rounds specifying freely.

"A belated step to improve the farm equipment situation was taken over the weekend, when quotas were boosted. While farm production has increased over the years and population has gained, the volume of steel going to the agriculture industry in 1940, 1941 and 1942 was significantly below the average for the years 1935 to 1939, declining last year 35½% below that average. Even the small amount of new equipment available in recent months has been distributed poorly.

"Steelmaking facilities brought into operation during the latter half of 1942 have added 269,330 tons to Pittsburgh's open hearth capacity and 93,860 tons to its electric furnace capacity. Chicago, second largest steel producing district, made the largest tonnage gains, 403,000 tons of additional open hearth and 170,140 tons of electric furnace capacity. Canton-Massillon, first with respect to electric steel, added facilities for 32,080 additional tons. Open hearth capacity in the Youngstown district has increased by 115,400 tons. Open hearth and electric steel capacity in the Cincinnati area has decreased by 34,010 and 2,500 tons, respectively, putting that district down one notch to 11th place.

"The three main centers retain their respective positions as far as total ingot output is concerned with Pittsburgh first, accounting for 22.75% of national capacity; Chicago, second, representing almost 20%; and the Youngstown district third, with 14%.

"With allotment numbers and delivery orders without allotment numbers steadily increasing as steel users swing over to the Controlled Materials Plan, confusion has been created in some divisions of the steel industry. The allotment numbers take precedence over ordinary priority ratings. Alloy steel sellers report that certain customers have allotment numbers for April but cannot be placed on mill schedules for April as schedules are closed. Schedule makers are perplexed by the lack of allotments from consumers known to be vital to the war effort. Steel companies have no way of knowing whether an order under CMP represents the total three months' tonnage allowed customers or just one-third of it."

The American Iron and Steel Institute on March 8 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.1% of capacity for the week beginning March 8, compared with 98.2% one week ago, 98.1% one month ago and 97.4% one year ago. This represents an increase of 0.9 point or 0.9% from the preceding week. The operating rate for the week beginning March 8 is equivalent to 1,716,100 tons of steel ingots and castings, compared to 1,700,500 tons one week ago, 1,698.700 tons one month ago, and 1,654,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, stated in part as follows: "Evolution of the Controlled Materials Plan is proceeding and orders bearing its numbers are increasing. Considerable confusion continues in making out orders under the plan, expected to be clarified by issuance of Regulation No. 7 and revision of Regulation No. 1.

"Steelmakers express satisfaction with the plan as it develops, seeing in its application a better balance in bookings, avoidance of the unwieldy backlogs formerly accumulated and more efficient use of equipment and labor.

"Plate mills are being called on for increasingly large tonnage, shipbuilding being the main factor, with synthetic rubber and high-test gasoline plants adding materially. March is expected to set a new record in plate production.

"Deliveries are tightening, especially in bars, large rounds and and flats being promised no sooner than three months, some makers offering nothing before third quarter. Small rounds in general are promised in seven to nine weeks, with some makers bettering this slightly. Cold-drawn bars are offered for late May or June at best. Alloy bars are even more extended. In the latter class directives control most tonnage.

"Pig iron distribution continues to meet requirements, and in some cases consumer inventories are slightly larger. Because of the tight situation several months ago many melters have reduced the number of analyses formerly required and are not returning to former practice as the situation loosens. In many cases there is less pressure for shipment of delinquent tonnages. Makers of machine tool castings are ahead of demand and are limiting production somewhat.

"Continued decline in fabricated steel production is shown in statistics of the American Institute of Steel Construction. Bookings in January fell to 57,865 net tons from 67,600 tons in December. In January, 1942, bookings were 183,387 tons. Shipments in January were 105,869 tons, compared with 145,280 in December and 167,753 tons in January, 1942.

"Consumption of steel and iron scrap in January is estimated by the Institute of Scrap Iron & Steel at 4,753,000 gross tons, fourth largest month in history. About 45% of this was purchased scrap. Salvage Division of WPB reports scrap collections in last half of 1942 were 95.7% of the 17,000,000-ton quota set for that period.

"In general, scrap supply is sufficient, though some pinch is encountered as a result of adverse weather and lack of yard manpower. In some instances melters are dipping into reserves to maintain high production.

"Steelmaking capacity was increased 1,098,140 net tons during last half of 1942, to 90,292,660 tons, nearly half the world's total. Since January, 1940, the industry has added facilities for 8,700,000 tons, equal to half Great Britain's. Pig iron capacity during the last half of last year was expanded to 63,933,530 tons. When the present program is completed the industry will be rated at close to 96,000,000 tons of steel and 69,000,000 of pig iron."

New V-Loan Drive To Start April 12

Secretary of the Treasury Morgenthau announced on March 1 that the Treasury's next major financing operation will begin on April 12.

While the amount which the Government will seek to borrow has not yet been definitely decided, Secretary Morgenthau reiterated his previous announcement that the goal will be at least $13,000,000,000, the approximate amount raised in the first Victory Loan drive in December. He added that it will be the greatest financing campaign in the nation's history. Plans for the April drive have been under discussion for some time between Treasury officials, members of the Open Market Committee of the Federal Reserve System, and the Presidents of the Federal Reserve Banks.

In the first Victory Loan campaign the Treasury sought $9,000,000,000 but raised a total of $12,906,000,000 of "new money." These results were noted in our Jan. 28 issue, page 383.

While the Treasury's plan to borrow about $13,000,000,000 would raise the debt beyond the existing limit of $125,000,000,000, Secretary Morgenthau observed on Feb. 22 that "if we get this drive started I can't imagine Congress not getting together" on a bill to raise the debt ceiling. It was pointed out in Associated Press accounts from Washington on Feb. 22 that legislation to increase the debt limit to $210,000,000,000 has been approved by the House Ways and Means Committee with a rider modifying President Roosevelt's executive order limiting salaries.

The Treasury reported the public debt was $113,160,159,954 on Feb. 19. This amount did not include $4,290,592,118 in guaranteed obligations not subject to the debt ceiling.

Wickard Asks Congress For Farm 'Mandate'

Secretary of Agriculture Wickard has asked Congress for a "clear mandate" program to assure maximum farm production in 1943.

Reiterating his opposition to increasing prices as a spur to production, Mr. Wickard told the House Agricultural Committee on Feb. 24 that the farm programs must include assurances that farmers' returns will cover the increased costs of extra production.

"I take it for granted," Mr. Wickard said, "that almost every one feels that increased costs to farmers necessitate increased returns on many agricultural commodities during 1943." He went on to say:

"Now I want to state frankly that one way to enable farmers to receive the returns necessary to cover their costs would be by increasing prices. I do not believe, however, all things considered, that this is the preferable way.

"Substantial increases in farm prices would inevitably lead to increase in prices and costs all along the line, and might result in an inflation, which, in the long run, would be even more ruinous to farmers than to others."

The Secretary said that there are other ways of giving farmers increased returns. He outlined them as follows, according to the Associated Press:

(1) Government support of prices of all farm products needed in the war effort.

(2) A Government offer to purchase certain products—such as soy beans, peanuts, flaxseed, canned vegetables, sugar beets, and perhaps others—and resell them to processors and distributors at prices in line with Office of Price Administration price ceilings.

(3) An offer to farmers of incentive payments on needed war crops in order to enable the producers to meet increased costs without raising consumer prices.

Lumber Movement—Week Ended Feb. 27, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 440 mills reporting to the National Lumber Trade Barometer exceeded production by 15.8% for the week ended Feb. 27, 1943. In the same week new orders of these mills were 23.7% greater than production. Unfilled order files in the reporting mills amounted to 88% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 41 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.0%; orders by 22.7%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 29.9% greater; shipments were 28.4% greater, and orders were 49.6% greater.

Moody's Daily Commodity Index

Tuesday, March 2	248.1
Wednesday, March 3	249.3
Thursday, March 4	248.9
Friday, March 5	248.9
Saturday, March 6	249.0
Monday, March 8	249.2
Tuesday, March 9	248.5
Two weeks ago, Feb. 23	246.9
Month ago, Feb. 9	244.5
Year ago, March 9	229.5
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, March 3	249.3
Low, Jan. 2	240.2

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Feb. 27, is estimated at 12,680,000 net tons, an increase of 520,000 tons, or 4.3%, over the preceding week. This is the highest figure recorded since the week ended March 26, 1927, when production amounted to 13,320,000 tons. Output of bituminous coal in the week ended Feb. 28, 1942, totaled 11,452,000 tons. For the current year to date, soft coal production was 2.8% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 27, 1943 was estimated at 1,278,000 tons, an increase of 145,000 tons (12.8%) over the preceding week. When compared with the output in the corresponding week of 1942, there was a decrease of 17,000 tons, or 1.3%.

The U. S. Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week ended Feb. 27 showed an increase of 3,200 tons when compared with the output for the week ended Feb. 20. The quantity of coke from beehive ovens increased 12,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	Feb. 27 1943	Feb. 20 1943	Feb. 28 1942	†Feb. 27 1943	Feb. 28 1942	Feb. 27 1937
Total incl. mine fuel	12,680	12,160	11,452	96,049	93,406	84,099
Daily average	2,113	2,027	1,909	1,960	1,868	1,702
*Crude Petroleum—						
Coal equivalent of weekly output	6,204	6,206	6,432	51,430	56,037	42,994

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Feb. 27 1943	Feb. 20 1943	Feb. 28 1942	Feb. 27 1943	Feb. 28 1942	Mar. 2 1929
*Total, incl. colliery fuel	1,278,000	1,133,000	1,295,000	9,406,000	9,304,000	13,866,000
†Commercial production	1,227,000	1,088,000	¶1,243,000	9,030,000	¶8,932,000	12,868,000
Beehive coke—						
United States total	163,200	150,700	156,800	1,281,600	1,256,700	1,032,700
By-product coke—						
United States total	1,225,200	1,222,000	1,160,000	10,079,000	9,891,500	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					
State—	Feb. 20 1943	Feb. 13 1943	Feb. 21 1942	Feb. 22 1941	Feb. 20 1937	Feb. avge. ¶1923
Alabama	6	6	5	3	2	**
Alaska	390	389	347	344	300	409
Arkansas and Oklahoma	107	108	68	70	58	87
Colorado	171	186	180	167	182	231
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,493	1,435	1,369	1,303	1,466	1,993
Indiana	503	505	527	508	502	613
Iowa	65	66	77	73	136	136
Kansas and Missouri	194	205	173	169	201	174
Kentucky—Eastern	998	947	768	869	722	556
Kentucky—Western	322	317	278	241	224	226
Maryland	35	38	38	36	40	51
Michigan	6	8	10	7	18	26
Montana (bituminous and lignite)	112	105	70	64	79	80
New Mexico	40	37	23	27	44	58
North and South Dakota (lignite)	72	64	65	66	84	**37
Ohio	718	748	646	581	624	694
Pennsylvania (bituminous)	2,696	2,880	2,761	2,662	2,811	3,087
Tennessee	155	145	142	148	118	127
Texas (bituminous and lignite)	6	5	5	7	16	23
Utah	139	129	88	100	119	96
Virginia	425	406	349	350	284	212
Washington	45	42	48	34	61	77
*West Virginia—Southern	2,340	2,260	1,956	1,968	2,038	1,127
†West Virginia—Northern	917	961	833	719	700	673
Wyoming	203	205	143	123	160	156
‡Other Western States	1	2	1	1	††	**7
Total bituminous and lignite	12,160	12,200	10,971	10,641	10,990	10,956
§Pennsylvania anthracite	1,133	1,337	1,159	983	832	1,902
Total all coal	13,293	13,537	12,130	11,624	11,822	12,858

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G., and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Statutory Debt Limitation As Of Feb. 28, 1943

The Treasury Department made public on March 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on Feb. 28, 1943, totaled $116,840,396,655, thus leaving the face amount of obligations which may be issued subject to the $125,000,000,000 statutory debt limitation at $8,159,603,345. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations ($116,840,396,655) should be deducted $3,891,581,357 (the unearned discount on savings bonds), reducing the total to $112,948,815,298. However, to this latter figure should be added $1,074,873,497 (other public debt obligations outstanding but not subject to the statutory limitation). Thus the total gross public debt outstanding as of Feb. 28, 1943 was $114,023,688,795.

The following is the Treasury's report for Feb. 28:

Statutory Debt Limitation as of Feb. 28, 1943

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate $125,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$125,000,000,000
Outstanding as of Feb. 28, 1943:			
Interest-bearing:			
Bonds—			
Treasury	$49,273,464,150		
*Savings (maturity value)	20,959,053,850		
Depositary	144,186,000		
Adjusted service	723,800,207		
		$71,100,504,207	
Treasury notes	22,154,476,350		
Certificates of indebtedness	15,059,710,000		
Treasury bills (maturity val.)	8,231,895,000		
		45,446,081,350	
		$116,546,585,557	
Matured obligations, on which interest has ceased		69,454,850	
Bearing no interest (U. S. War Savings stamps)		224,356,248	
			116,840,396,655
Face amount of obligations issuable under above authority			$8,159,603,345

RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT FEBRUARY 28, 1943

(On the basis of Daily Treasury Statements)

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		$116,840,396,655
Deduct unearned discount on Savings bonds (difference between maturity value and current redemption value)		3,891,581,357
		112,948,815,298
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (Pre-War, etc.)	195,960,420	
Matured obligations on which interest has ceased	10,290,275	
Bearing no interest	868,622,802	
		1,074,873,497
Total gross public debt outstanding Feb. 28, 1943		$114,023,688,795

*Approximate maturity value. Principal amount (current redemption value) according to statements of the public debt on the basis of Daily Treasury Statements $17,067,472,493.

Electric Output For Week Ended Mar. 6, 1943 Shows 16.3% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 6, 1943, was approximately 3,946,630,000 kwh., compared with 3,392,121,000 kwh. in the corresponding week last year, an increase of 16.3%. The output for the week ended Feb. 27, 1943, was 14.2% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Mar. 6	Feb. 27	Feb. 20	Feb. 13
New England	3.6	4.5	4.6	6.0
Middle Atlantic	11.3	8.4	9.2	8.6
Central Industrial	15.0	11.8	13.1	12.4
West Central	14.4	12.8	13.7	13.0
Southern States	20.1	17.7	19.7	19.3
Rocky Mountain	11.9	9.4	14.8	14.2
Pacific Coast	30.6	31.0	30.8	32.2
Total United States	16.3	14.2	15.3	15.1

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683
Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13		3,357,444		2,983,591	1,537,747	1,687,229
Mar 20		3,357,032		2,983,048	1,514,553	1,683,262
Mar 27		3,345,502		2,975,407	1,480,208	1,679,589

Thousands Of Man Days Spent Answering Govt. Questionnaires, Executives Report

According to the National Industrial Conference Board, a majority of industrial concerns from which the Division of Industrial Economics of the Board has obtained specific data on the subject spent over 1,000 man days each in 1942 answering questionnaires and filing reports required by the Government. Half of these firms found it necessary to devote 5,000 or more man days to this work, the Board reports. The highest figure reported was 18,000 man days. The Board further states that many other executives consulted by the Board in the course of a special inquiry just completed were unable to provide exact figures but were emphatic in their assertions that this paper work was and is very burdensome. These figures, the Board says, do not for the most part take into account the time devoted to such tasks by top executives, auditors and legal staffs.

In making these facts known, the Board points out, moreover, that the majority of business executives found that no appreciable decline has occurred in the volume of paper work since the beginning of the year. In fact, some reported that the trend has continued upward. This trend is in part the result of the Victory tax and the work arising out of the transition from the Production Requirements Plan to the Controlled Materials Plan. Opinion was divided on the prospect of a reduction in paper work when CMP is fully operative. The Board states:

"Evidence of simplification of certain forms, however, was cited and it was indicated that much could be done in this direction. Attention was also called to the increased work resulting from various payroll deductions, sales of war bonds, problems of arranging transportation for workers, etc. Some executives also look for additional burdens on administrative, legal, clerical and auditing departments as a result of the wage-freezing order and renegotiation."

From the Board's announcement we also quote:

"The Office of Price Administration was most frequently mentioned as a Government agency which appeared to be asking for information in a volume disproportionate to its immediate interest in an individual company's field of production. Annual and quarterly financial forms, cost data and price-ceiling lists asked by OPA were among the reports often said to be extremely burdensome. Other reports in this same category were material redistribution surveys, inventories of excess and inactive stocks, analyses of unfilled orders and shipments by special end-use classification, the ODT daily truck mileage report and the various payroll deduction reports."

Discussing the possible means of relief as seen by business men, the Board adds:

"Numerous executives believe that formation of a central department or clearing house to pass on all requests for information and to which all agencies would have to come for information would greatly lessen the burden of paper work. It was asserted that the requirement that questionnaires must be approved by the Bureau of the Budget has proved constructive. More nearly complete control of that type was recommended. It was also suggested that the trend toward simplification of the reports should be accelerated. A plea was also made for elimination of legal phraseology and for more specific instruction.

"It was further advanced that reports and questions should be so formulated that they could be answered or filled out from records normally kept by businesses and that reports ought to be more specifically adapted to conditions in the industry involved. In that connection, it was suggested that industry advisory committees could be very helpful. Consolidation of numerous reports into one report wherever possible was recommended. Reference frequently was made to the possibility of a single report for all payroll deductions."

OWI Director Davis To Broadcast War News

Elmer Davis, Director of the Office of War Information, will begin a series of weekly 15-minute broadcasts on March 12. The series will be broadcast over the NBC, CBS and Blue networks each Friday evening from 10:45 to 11:00 p.m. (EWT). They will be rebroadcast each Saturday at 4:00 p.m. over the network of the Mutual Broadcasting Co.

In announcing the broadcasts, Mr. Davis laid down three rules which he will follow:

1. The broadcasts will not carry news which has not already been available to the press and radio.

2. The broadcast will be factual and will attempt to summarize and clarify important war developments in order to promote clear understanding of the nation's wartime problems.

3. Every effort will be made to make each broadcast responsive to the questions uppermost in the minds of the public.

Mr. Davis stated that he receives many letters each week from people who write that they want someone in the Government to sum up each week what is being done and why—and how it affects each individual. Recently a group of important radio-station operators informed the Office of War Information that people in their communities were eager to get a clarification of important issues of the war such as Mr. Davis might make.

Daily Average Crude Oil Production For Week Ended Feb. 27, 1943 Declined 1,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 27, 1943 was 3,873,050 barrels, a decrease of 1,250 barrels from the preceding week. It was also 142,600 barrels per day less than during the corresponding period last year, and was 289,250 barrels below the daily average figure as recommended by the Petroleum Administration for War for the month of February, 1943. Daily production for the four weeks ended Feb. 27, 1943 averaged 3,867,900 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,709,000 barrels of crude oil daily and produced 10,566,000 barrels of gasoline; 4,230,000 barrels of distillate fuel oil, and 7,839,000 barrels of residual fuel oil during the week ended Feb. 27, 1943, and had in storage at the end of that week 93,157,000 barrels of gasoline; 32,939,000 barrels of distillate fuels and 70,140,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	•P.A.W. Recommendations February	•State Allowables Beginning Feb. 1	—Actual Production— Week Ended Feb. 27 1943	—Actual Production— Change From Previous Week	4 Weeks Ended Feb. 27 1943	Week Ended Feb. 28 1942
Oklahoma	395,300	395,300	†350,450	+ 2,750	350,050	393,700
Kansas	310,500	310,500	†306,400	—10,250	307,150	230,000
Nebraska	3,000	------	†2,550	— 50	2,450	4,450
Panhandle Texas			88,900	----	88,900	86,700
North Texas			135,350	----	135,350	148,700
West Texas			213,900	----	210,700	300,650
East Central Texas			102,250	+ 2,250	100,550	91,400
East Texas			325,100	----	325,100	368,400
Southwest Texas			166,350	+ 8,600	162,150	222,900
Coastal Texas			319,600	— 2,500	320,450	296,700
Total Texas	1,452,000	‡1,452,714	1,351,450	+ 8,350	1,343,200	1,515,450
North Louisiana			89,750	— 1,000	90,900	81,500
Coastal Louisiana			246,550	----	246,550	270,600
Total Louisiana	349,800	362,300	336,300	— 1,000	337,450	352,100
Arkansas	78,700	74,826	75,150	— 100	75,700	73,850
Mississippi	50,000		†53,300	— 1,700	54,900	90,850
Illinois	272,200		228,500	—14,200	238,750	334,900
Indiana	17,200		†14,100	— 1,700	16,000	19,150
Eastern (not incl. Ill. & Ind.)	114,600		100,500	+17,750	91,700	95,550
Michigan	63,700		57,500	— 1,100	59,000	50,850
Wyoming	94,100		90,550	— 1,150	88,900	84,400
Montana	24,700		21,950	+ 500	21,550	21,600
Colorado	7,000		6,550	— 550	7,000	5,550
New Mexico	105,800	105,800	96,600	----	97,000	120,400
Total east of Calif.	3,338,600		3,091,850	— 2,450	3,090,600	3,392,800
California	823,700	§823,700	781,200	+ 1,200	777,300	622,850
Total United States	4,162,300		3,873,050	— 1,250	3,867,900	4,015,650

•P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in November, 1942, as follows: Oklahoma, 29,900; Kansas, 5,800; Texas, 106,300; Louisiana, 20,800; Arkansas, 3,000; Illinois, 10,300; Eastern (not including Illinois and Indiana), 11,500; Michigan, 100; Wyoming, 2,600; Montana, 300; New Mexico, 5,800; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Feb. 24.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 13 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 27, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
•Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,671	68.4	4,774	40,096	15,399	10,061
Appalachian	177	84.8	161	91.0	449	3,029	729	555
Ind., Ill., Ky.	811	85.0	718	88.5	2,328	20,048	3,676	2,756
Okla., Kansas, Mo.	416	80.1	344	82.7	1,095	7,387	1,543	1,412
Rocky Mountain	147	48.0	92	62.6	340	2,052	381	554
California	817	89.9	723	88.5	1,580	20,545	11,211	54,802
Tot. U. S. B. of M. basis Feb. 27, 1943	4,812	86.2	3,709	77.1	10,566	†93,157	32,939	70,140
Tot. U. S. B. of M. basis Feb. 20, 1943	4,812	86.2	3,694	76.8	10,324	92,215	33,367	70,428
U. S. Bur. of Mines basis Feb. 28 1942			3,672		12,116	108,156	34,058	87,319

*At the request of the Petroleum Administration for War. †Finished, 82,887,000 barrels; unfinished, 10,270,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 4,230,000 barrels of gas oil and distillate fuel and 7,839,000 barrels of residual fuel oil produced in the week ended Feb. 27, 1943, which compared with 4,029,000 barrels and 7,405,000 barrels, respectively, in the preceding week and 3,799,000 barrels and 6,813,000 barrels, respectively, in the week ended Feb. 28, 1942.

Civil Engineering Construction $85,809,000

Civil engineering construction volume for the week, $85,809,000, is 41% below the total for the corresponding 1942 week, but is above the $54,646,000 reported for the holiday-shortened preceding week by "Engineering News-Record" on March 4. Private construction declines 75% from the week last year, and public work is down 35% as a result of the 64% decrease in State and municipal work, and the 32% decline in Federal volume. The report added:

The current week's total brings 1943 construction to $618,877,000, an average of $68,764,000 for each of the nine weeks of the year. On the weekly average basis, the 1943 total is 51% below that reported for the ten-week period in 1942. Private construction, $57,410,000, is 55% lower, and public work, $561,467,000, is down 51% when adjusted for the difference in the number of weeks reported.

Civil engineering construction volumes for the 1942 week, the short preceding week, and the current week are:

	Mar. 5, 1942 (five days)	Feb. 25, 1943 (four days)	Mar. 4, 1943 (five days)
Total Construction	$145,401,000	$54,646,000	$85,809,000
Private Construction	21,766,000	15,203,000	5,351,000
Public Construction	123,635,000	39,443,000	80,458,000
State and Municipal	10,766,000	544,000	3,923,000
Federal	112,869,000	38,899,000	76,535,000

In the classified construction groups, gains over last week are in waterworks, sewerage, commercial buildings, public buildings, earthwork and drainage, streets and roads and unclassified construction. Increases over the 1942 week are in sewerage, bridges, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $1,578,000; sewerage, $2,139,000; bridges, $446,000; industrial buildings, $2,201,000; commercial building and large-scale private housing, $2,975,000; public buildings, $46,692,000; earthwork and drainage, $455,000; streets and roads, $2,651,000; and unclassified construction, $26,672,000.

New capital for construction purposes for the week, $13,500,000, tops the total for the corresponding week in 1942 by 267%. It is made up entirely of State and municipal bond sales.

New construction financing for the year to date, $29,039,000, compares with $1,376,140,000 reported for the ten-week period a year ago.

January Hotel Sales Higher

In their March bulletin, Horwath & Horwath, New York public accountants, report that the increase in total sales was the same in January as in December, 28%, the improvement in rooms being less —23% compared with 29 last month—while that in the restaurant was more—31% compared with 28. The bulletin adds:

"An outstanding point this month is that New York City, which has been lagging behind the others, pulled up considerably, its total gain of 26% equaling that of the miscellaneous group, 'All Others.' The New York pick-up in room business actually exceeded by 2 points the average for the whole country, whereas in December it was 11 points less than the average; its occupancy at 86% is a record high for this city, comparing with 78% in December and 73% last January, and it also had a notable rise of 6% in room rate."

JANUARY, 1943, COMPARED WITH JANUARY, 1942

	Sales, Increase or Decrease •Total	Rooms	Total Restaurant	Food	Beverages	Occupancy Jan. 1942	Occupancy Jan. 1941	†Room Rate Increase or Decr
New York City	+26%	+25%	+27%	+26%	+29%	86%	73%	+ 6%
Chicago	+14	+13	+15	+15	+15	87	79	+ 3
Philadelphia	+52	+48	+57	+50	+69	83	56	0
Washington	+25	+12	+34	+32	+40	88	85	+ 8
Cleveland	+20	+23	+18	+15	+23	83	69	+ 2
Detroit	+41	+36	+48	+52	+42	89	71	+ 8
Pacific Coast	+47	+41	+48	+42	+60	79	63	+12
Texas	+36	+31	+45	+48	+32	88	74	+10
All others	+26	+22	+29	+25	+36	79	68	+ 5
Total	+28%	+23%	+31%	+28%	+37%	81%	71%	+ 6%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. •Rooms and restaurant only.

February Department Store Sales

The Board of Governors of the Federal Reserve System announced on March 4 that the value of department store sales increased sharply from January to February and the Board's seasonally adjusted index rose to a new high level of 165% of the 1923-25 average, as compared with the previous peak of 143 reached in January. The sharp rise in sales in February reflected a buying wave that began early in the month and was particularly marked in clothing items, the Board explained.

INDEX OF DEPARTMENT STORE SALES‡ (1923-25 AVERAGE=100)

	Feb., 1943	Jan., 1943	Dec., 1942	Feb., 1942
Adjusted for seasonal variation	165	143	125	126
Without seasonal adjustment	130	111	222	99

Change from corresponding period a year ago (per cent)

Federal Reserve District—	One Week Ending 2-27	2-20	2-13	2-6	Four Weeks Ending 2-27	1-30	1-2	11-28	Year to 2-27
Boston	+21	+21	+30	+15	+22	— 2	+11	+12	+ 9
New York	+18	*+16	+23	+11	+17	— 7	+ 7	+ 5	+ 4
Philadelphia	+29	*+16	*+24	+ 3	+18	— 5	+ 8	+ 8	+ 7
Cleveland	+22	+19	+49	+23	+28	0	+ 9	+14	+14
Richmond	+28	*+26	+67	+20	+34	0	+14	+19	+17
Atlanta	+35	+46	+53	+40	+43	+13	+ 9	+11	+27
Chicago	+27	*+37	+46	+10	+30	— 1	+10	+12	+14
St. Louis	+22	+43	+59	+23	+36	+ 8	+12	+14	+22
Minneapolis	†	†	†	†	+26	+ 2	+ 9	+14	+13
Kansas City	+36	*+70	+83	+47	+58	+26	+24	+35	+41
Dallas	+60	+70	*+100	+51	+70	+22	+23	+19	+45
San Francisco	+29	*+54	+56	+30	+43	+14	+27	+32	+28
U. S. total	+26	*+33	+45	+19	+31	+ 2	+12	+14	+16

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100)

1943—		1942—	
Jan. 30	121	Jan. 31	121
Feb. 6	136	Feb. 7	114
Feb. 13	168	Feb. 14	116
Feb. 20	146	Feb. 21	110
Feb. 27	150	Feb. 28	119

*Revised. †Not shown separately but included in United States total. ‡Monthly indexes refer to daily average sales in calendar month; February, 1943, figures estimated from weekly sales.

New Rubber Agency

The Reconstruction Finance Corp. has set up a new agency known as the Rubber Development Corp. to give financial aid in development and acquisition of natural rubber from foreign sources, principally Latin America. Secretary of Commerce Jesse H. Jones disclosed this on Feb. 21 in a letter to William M. Jeffers, Rubber Director, who had requested that the new corporation be created. The new unit is separate from the Rubber Reserve Co. which is handling the synthetic rubber program.

Heading the Rubber Development Corp. will be Douglas H. Allen.

Nelson Gives Wilson Full Control Of WPB

Full responsibility for all phases of war production was given to Charles E. Wilson, Executive Vice-Chairman of the War Production Board, on Feb. 18 in an administrative order issued by Chairman Donald M. Nelson.

Mr. Nelson's directive not only gave the Executive Vice-Chairman the power to direct and supervise all WPB operating units but also the authority to appoint their personnel, to establish their internal organization and to define their functions and responsibilities.

Under the sweeping order, Mr. Wilson is made subject only to the policies and directions of the Chairman. He is also to act as chairman in Mr. Nelson's absence and is authorized to delegate his functions to any officials and in any manner which he may determine.

Mr. Wilson was given full jurisdiction over the production program with the resignation of WPB Vice-Chairman Ferdinand Eberstadt, who had control of the flow of materials; this was reported in our issue of Feb. 18, page 649.

Wheat Marketing Quotas Suspended As War Measure

Secretary of Agriculture Claude R. Wickard on Feb. 23 suspended wheat marketing quotas in a new move to insure adequate food and feed supplies for the Nation's war effort. The Secretary's action, the announcement stated, taken under the authority of the emergency provisions of the Agriculture Adjustment Act, lifts marketing quotas for the remainder of the 1942-43 marketing year and for 1943-44, and releases at once for feed or market any wheat which has been stored off the market because of the quota.

At the same time, the Secretary announced that wheat farmers who in 1943 meet 90% of their farm war crop goals will be eligible for AAA wheat payments and wheat loans even though they exceed their wheat allotments. This provision, it was pointed out, will enable wheat farmers, in areas where other crops are not so successfully grown, to increase their wheat production. The Secretary urged wheat farmers, however, to maintain careful farming practices so as not to jeopardize future wheat crops. He recalled the wind and water erosion and resultant low yields that have followed excessive acreage increases in the past. Secretary Wickard also said:

"With three good wheat years behind us, our wheat supplies at the present time are the largest in our history. In view of the tremendous increase in the number of livestock, however, additional feed reserves are a safeguard for the future.

"We entered the present marketing year with a total wheat supply of 1,613,000,000 bushels. At the same time, this year, wheat consumption, including moderate exports, promises to be the largest since 1920. And it must be remembered that in 1920 our gross exports totaled 369,000,000 bushels.

"Livestock feeding has accounted for the bulk of the current increase in wheat consumption. With some increase expected in the quantity used for food, and substantial quantities being used for alcohol production, our total domestic consumption is expected to be the largest in history."

The 1942-43 marketing quota was made effective following a referendum of wheat growers May 2, 1942, and the 1943-44 quota was proclaimed Aug. 6, 1942. The 1943-44 quota referendum which was to have been held this spring is cancelled by this announcement.

Market Value Of Stocks On New York Stock Exchange Higher On Feb. 27

The New York Stock Exchange announced on March 5 that as of the close of business Feb. 27, there were 1,241 stock issues, aggregating 1,470,238,525 shares listed on the Stock Exchange, with a total market value of $43,538,661,753. This compares with 1,240 stock issues, aggregating 1,470,369,538 shares, with a total market value of $41,410,585,043, on Jan. 30, 1943, and with 1,234 stock issues, aggregating 1,467,001,959 shares, with a total market value of $35,234,173,432 on Feb. 28, 1942.

In making public the figures for Feb. 27, the Exchange's announcement further said:

"As of the close of business Feb. 27, New York Stock Exchange member total net borrowings amounted to $355,635,204. The ratio of these member borrowings to the market value of all listed stocks on that date, was therefore, 0.82%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	—Feb. 27, 1943—		—Jan. 30, 1943—	
Group	Market Value $	Av. Price $	Market Value $	Av. Price $
Amusement	348,449,378	17.97	348,165,032	16.43
Automobile	3,632,226,130	30.30	3,408,478,894	28.43
Aviation	626,177,430	18.12	587,815,428	17.01
Building	512,412,021	24.96	481,609,370	22.61
Business & office equipment	352,014,254	29.84	335,632,788	28.46
Chemical	5,880,150,680	61.69	5,737,762,160	60.22
Electrical equipment	1,512,586,634	37.67	1,457,325,498	36.30
Farm machinery	703,776,814	53.71	661,872,781	50.51
Financial	872,596,093	17.25	821,582,313	16.24
Food	2,781,516,049	29.79	2,689,695,695	28.81
Garment	42,753,183	25.55	41,423,097	24.75
Land & realty	24,771,911	5.10	20,272,750	4.17
Leather	211,586,344	25.16	199,323,630	23.70
Machinery & metals	1,518,747,183	22.20	1,447,769,259	21.14
Mining (excluding iron)	1,414,724,115	24.08	1,363,412,678	23.23
Paper & publishing	418,451,297	18.56	384,155,555	17.04
Petroleum	5,132,113,161	26.68	4,765,858,188	24.83
Railroad	3,318,622,055	29.14	3,051,314,709	26.79
Retail merchandising	2,125,248,714	29.16	2,076,660,475	28.49
Rubber	456,125,929	43.17	437,253,303	41.38
Ship building & operating	106,938,152	22.44	100,756,997	21.14
Shipping services	10,584,002	6.14	9,297,851	5.39
Steel, iron & coke	2,119,758,312	42.33	2,035,846,382	40.65
Textiles	415,603,830	29.55	401,609,810	28,56
Tobacco	1,147,891,019	42.86	1,149,550,402	42.92
Utilities:				
Gas & electric (operating)	1,907,855,976	20.26	1,834,217,063	19.82
Gas & electric (holding)	877,810,347	9.16	806,495,798	8.42
Communications	3,284,087,941	78.54	3,029,485,511	72.45
Miscellaneous	88,645,902	12.08	86,916,890	11.85
U. S. companies oper. abroad	636,883,368	18.77	623,740,683	18.38
Foreign companies	897,112,913	22.17	898,027,477	22.19
Miscellaneous businesses	124,440,616	21.20	117,256,576	19.98
All Listed Stocks	43,538,661,753	29.61	41,410,585,043	28.16

We give below a compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value $	Average Price $		Market Value $	Average Price $
1940—			1942—		
Oct. 31	42,673,890,518	29.38	Jan. 31	36,228,397,999	24.70
Nov. 30	41,848,246,961	28.72	Feb. 28	35,234,173,432	24.02
Dec. 31	41,890,646,959	28.80	Mar. 31	32,844,183,750	22.36
1941—			Apr. 30	31,449,206,904	21.41
Jan. 31	40,279,504,457	27.68	May 29	32,913,725,225	22.40
Feb. 28	39,398,228,749	27.08	June 30	33,419,047,743	22.73
Mar. 31	39,696,269,155	27.24	July 31	34,443,805,860	23.42
Apr. 30	37,710,958,708	25.78	Aug. 31	34,871,607,323	23.70
May 31	37,815,306,034	25.84	Sept. 30	35,604,809,453	24.20
June 30	39,607,836,569	27.07	Oct. 31	37,727,599,526	25.65
July 31	41,654,256,215	28.46	Nov. 30	37,374,462,460	25.41
Aug. 30	41,472,032,904	28.32	Dec. 31	38,811,728,666	26.39
Sept. 30	40,984,419,434	28.02			
Oct. 31	39,057,023,174	26.66	1943—		
Nov. 29	37,882,316,239	25.87	Jan. 30	41,410,585,043	28.16
Dec. 31	35,785,946,533	24.46	Feb. 27	43,538,661,753	29.61

Non-Ferrous Metals—Use Of Domestic Silver Restricted In Non-Essentials—Lead Sales Up

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of March 4, stated: "The conservation order limiting the use of silver in non-essential products was amended February 25 to include domestic as well as foreign metal. Demand for domestic silver has expanded steadily in recent months, even though the price level is substantially higher than that obtaining for foreign silver. OPA has issued a warning on tungsten ore prices to stabilize conditions in that important war metal. Interest in lead for April shipment is increasing. Conditions surrounding copper and zinc remain unchanged." The publication further went on to say in part:

Copper

The Copper Division of WPB is working on a plan that is expected to result in simultaneous release of information on or before the 15th of each month on allocations to both the brass and wire mills. Such action, the industry holds, would facilitate handling instructions for moving the metal promptly. The price situation in copper was unchanged last week, domestic consumers obtaining metal on the basis of 12¢, Valley. Foreign copper is coming into the country on the basis of 11.75¢, f.a.s.

Up to Jan. 1, 1943, Russia obtained 87,000 tons of copper and brass in Lend-Lease shipment, Edward R. Stettinius, Jr., Lend-Lease Administrator, told the Foreign Relations Committee of the Senate last week.

Lead

March requirements of consumers are about 75% covered, according to trade estimates, and buying for April is now getting under way. Sales of common lead for the last week involved more tonnage than in the week previous.

Producers believe that consumption of lead will increase moderately from now on, because of the broader outlet for various lead products permitted under the regulations on use.

Zinc

All of the zinc being produced in this country is not being allocated, indicating that WPB is accumulating some metal against emergency needs. Concern about the concentrate situation continues as the chief problem of the industry. This was the subject discussed at the recent meeting of the zinc group held in Washington.

Correction—In announcing the additional premium payments for mine output of lead and zinc (see "Chronicle" of March 4), Metals Reserve stated that it will not effect any settlement with producers "in the event of termination of the premium payment program prior to July 31, 1943." The correct date is July 31, 1945.

Tin

Production of electrolytic tinplate is due to increase from now on, thereby reducing the quantity of tin consumed in this important industry. The electrolytic process results in a saving of more than one-half the quantity of tin required to coat the plate.

The price situation in tin continues unchanged. "Grade A" or Straits quality metal for shipment is quotable as follows:

	March	April	May
February 25	52.000	52.000	52.000
February 26	52.000	52.000	52.000
February 27	52.000	52.000	52.000
March 1	52.000	52.000	52.000
March 2	52.000	52.000	52.000
March 3	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Tungsten Ore

Last week, OPA called attention to its approval of the following prices for tungsten ore as sold by Metals Reserve Co. to consumers:

Wolframite and ferberite, $24 per unit of WO^3 for ores of standard grade; scheelite and huebnerite, $25. The prices are f.o.b. New York, plus a 10¢ per unit handling fee.

Quicksilver

The supply situation in quicksilver in this country is generally viewed as comfortable, notwithstanding heavy war demands. Temporary changes in the rate of production here are offset as market factors by fairly liberal importations. Quotations in New York continued at $196 @ $198 per flask, covering prompt and nearby delivery.

Silver

Restrictions on the use of domestic silver in the manufacture of non-essential civilian products were established by WPB on Feb. 25 in an amendment to Conservation Order M-199, which has previously regulated use of foreign silver. Demand for domestic silver in so-called non-essentials has expanded greatly in the last three months and the order was amended in anticipation of increased consumption of the metal in the war program.

The order restricts the purchase, receipt, and manufacture of domestic silver, except to fill orders bearing a preference rating of A-1-a or higher, in the period between Feb. 25, 1943, and April 1, 1943, and in any calendar month thereafter until further notice, to not more than 1/24th of the aggregate amount by weight of all silver put into process for restricted uses during the calendar year 1941 or the calendar year 1942, whichever is greater. Allowances are made in the order for scrap and waste.

Exemption is provided in the silver order for small manufacturing firms that cannot be converted to war production. A small manufacturer is one who in 1941 had gross sales below $25,000, and in 1942 not in excess of $35,000.

Among articles on the restricted silver list to which the quota provisions apply are silverware, watch cases and jewelry, badges and insignia, slide fasteners, hooks and eyes, buttons and snaps, closures for containers, pens (except nibs and tubes) and pencils, toilet sets, picture frames, musical instruments, unnecessary electroplating and silverclad metal, insulated wire for electrical conductors, and church goods as defined in Order L-136.

During the past week the silver market in London has been quiet, with the price unchanged at 23½¢. The New York Official and the Treasury prices are also unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc, and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Automobile Financing And Diversified Financing For Month Of January

In January 1943, the number of new passenger cars financed by sales finance companies was off slightly (3%) from the number in December of last year, according to an announcement released on March 5 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in this type of financing remained at approximately the same level as in December. There were 11% less of used passenger cars financed, and a 12% decrease in the dollar volume of paper acquired. Compared with the preceding month, the number of new commercial cars financed was 14% more than in December and the dollar volume of paper acquired, 30%. The number of used commercial cars financed increased 7%, while the dollar volume of paper acquired rose 14%.

Retail automotive outstandings held by sales finance companies, continuing the decline long in evidence, showed a 15% decrease in volume as of Jan. 31, 1943, compared with Dec. 31, 1942.

Wholesale paper acquired in January 1943, for new passenger and new commercial cars was off 9% in volume from the preceding month; but for used passenger and used commercial cars, there was a gain of 11%. The volume of outstanding balances for this type of paper lost 5% from Dec. 31, 1942 to Jan. 31, 1943.

For January 1943, against December 1942, retail diversified financing showed the usual seasonal declines in the financing of furniture (14%), industrial, commercial, and farm equipment (28%), refrigerators (30%), other household appliances (32%), radios and other musical instruments (59%) and residential building repair and modernization (70%). In wholesale diversified financing, the volume of paper acquired was down 26% from December to January.

The volume of outstanding balances as of Jan. 31, 1943 for the retail financing of other consumers' goods decreased 8%; for the financing of industrial, commercial, and farm equipment, 2%; and for wholesale diversified financing (other than automotive), 17%.

The ratios of the paper acquired during January, 1943 to the outstanding balances as of Jan. 31, 1943 were 3% for retail automotive, 3% for wholesale automotive, 6% for wholesale—other than automotive, 3% for retail—other consumers' goods, and 6% for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during January 1943, were based on reports from 234 sales finance companies, and the dollar volumes should not be assumed to represent the total amount of financing by all sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. The figures presented in tables below are not comparable to those published for previous months, since monthly reports have not been received each month from identical sales finance companies. All indexes for January were obtained by calculating the percent changes from December to January, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for December, 1942.

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired During January, 1943, and Balances Outstanding January 31, 1943

	Volume of paper acquired during January, 1943			
Class of Paper—	By all companies	By companies reporting outstanding balances†	Outstanding balances Jan. 31 1943†	Ratio of paper acquired to outstand'g balances‡
Total retail automotive	$9,061,116	$8,697,634	$257,513,552	3
Total wholesale automotive	5,608,165	5,533,984	171,819,781	3
Total wholesale—other than automotive	106,031	90,081	1,466,976	6
Total retail—other consum. goods	3,849,204	3,738,690	139,904,448	3
Industrial, commercial and farm equipment	368,153	358,943	5,675,131	6
Total sales financings	$18,992,669	$18,419,332	$576,379,888	3

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

‡Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

AUTOMOTIVE FINANCING *

Number of Cars Financed and Volume of Paper Acquired During January, 1943

	Number of cars		Paper acquired	
Class of Paper—	Number	% of total	Dollar Volume	% of total
Total retail automotive	21,258	100	†$8,929,800	100
New passenger cars	1,165	5	1,022,885	12
New commercial cars	79	1	95,524	1
Used passenger cars	19,159	90	7,338,607	82
Used commercial cars	855	4	472,784	5
Total wholesale automotive	----	--	†$4,840,662	100
New cars (passenger and commercial)	----	--	3,024,232	62
Used cars (passenger and commercial)	----	--	1,816,430	38

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. †These amounts are less than those reported in above table due to the exclusion of some data for which breakdowns were not available.

DIVERSIFIED FINANCING *

Volume of Paper Acquired During January, 1943

Class of Paper	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	$355,825	14
Radios, pianos & other musical instruments	60,207	3
Refrigerators (gas and electric)	60,065	2
Other household appliances	57,038	2
Residential building repair and modernization	1,022,941	41
Miscellaneous retail	483,646	19
Total retail—other consumers' goods	†$2,039,722	81
Total wholesale—other than automotive	106,031	4
Industrial, commercial, and farm equipment	368,153	15
Total diversified financing	$2,513,906	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. †This amount is less than that reported in first table due to the exclusion of some data for which breakdowns were not available.

Trading On New York Exchanges

The Securities and Exchange Commission made public March 6 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 20, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 20 (in round-lot transactions) totaled 1,942,675 shares, which amount was 13.06% of total transactions on the Exchange of 7,438,990 shares. This compares with member trading during the week ended Feb. 13, of 1,688,815 shares or 14.18% of total trading of 5,956,270 shares. On the New York Curb Exchange, member trading during the week ended Feb. 20 amounted to 404,002 shares, or 12.33% of the total volume of that Exchange of 1,638,515 shares; during the Feb. 13 week trading for the account of Curb members of 267,065 shares was 11.17% of total trading of 1,195,065 shares.

The Commission made available the following data for the week ended Feb. 20:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	458
1. Reports showing transactions as specialists	175	79
2. Reports showing other transactions initiated on the floor	193	45
3. Reports showing other transactions initiated off the floor	233	75
4. Reports showing no transactions	463	269

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 20, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	122,360	
‡Other sales	7,316,630	
Total sales	7,438,990	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	501,430	
Short sales	60,080	
‡Other sales	461,740	
Total sales	521,820	6.88
2. Other transactions initiated on the floor—		
Total purchases	266,290	
Short sales	14,700	
‡Other sales	289,020	
Total sales	303,720	3.83
3. Other transactions initiated off the floor—		
Total purchases	173,495	
Short sales	16,700	
‡Other sales	159,220	
Total sales	175,920	2.35
4. Total—		
Total purchases	941,215	
Short sales	91,480	
‡Other sales	909,980	
Total sales	1,001,460	13.06

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 20, 1943

	Total for week	†Per cent
A. Total Round-Lot Sales:		
Short sales	6,140	
‡Other sales	1,632,375	
Total sales	1,638,515	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	103,017	
Short sales	3,990	
‡Other sales	153,210	
Total sales	157,200	7.94
2. Other transactions initiated on the floor—		
Total purchases	32,185	
Short sales	550	
‡Other sales	39,400	
Total sales	39,950	2.20
3. Other transactions initiated off the floor—		
Total purchases	23,950	
Short sales	100	
‡Other sales	47,600	
Total sales	47,700	2.19
4. Total—		
Total purchases	159,152	
Short sales	4,640	
‡Other sales	240,210	
Total sales	244,850	12.33
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	129	
§Customers' other sales	41,227	
Total purchases	41,356	
Total sales	33,568	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Wholesale Commodity Index Advanced 0.3% During Week Ended Feb. 27 Says Labor Dept.

The Bureau of Labor Statistics, U. S. Department of Labor, announced on March 4 that with continued advances in prices for farm products, largely grains, cotton, livestock, fruits and vegetables the Bureau's comprehensive index rose 0.3% during the last week of February to the highest level since January 1926, 102.7% of the 1926 average. There were few other changes in primary commodity markets.

The Bureau's announcement further stated:

"**Farm Products and Foods**—With sharp gains in prices for cotton, most grains, calves, cows, hogs and potatoes, the farm products group index rose 1.0% during the week to a 22-year peak. Grains were up 0.9% led by an increase of 3.3% for rye. Prices for wheat and oats advanced more than 1%. Livestock and poultry rose 0.7% as a result of increases ranging from 0.5% for light hogs in the Chicago market to 3.4% for calves. Cotton prices advanced 1.8% and potatoes were up from about 1% in Portland, Oregon to over 12% in Chicago. Quotations were lower for steers and for eggs.

"Largely reflecting higher prices for fresh fruits and vegetables which moved sharply upward in anticipation of rationing of canned and dried products, average prices for foods in primary markets rose 0.3%. Increased prices were also reported for flour, oatmeal, and corn meal.

"As a result of higher prices for bran and middlings, average wholesale prices for cattle feed advanced 2.9%.

"**Industrial Commodities**—Prices for industrial commodities were relatively steady. Quotations for coal continued to reflect higher production costs, and kerosene also advanced. Rosin advanced 1.2% during the week and turpentine dropped 1%."

The Bureau makes the following notation:

"During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Jan. 30, 1943 and Feb. 28, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Feb. 27, 1943 from		
Commodity Groups—	2-27 1943	2-20 1943	2-13 1943	1-30 1943	2-28 1942	2-20 1943	1-30 1943	2-28 1942
All commodities	*102.7	*102.4	*102.1	*101.8	96.8	+0.3	+0.9	+ 6.1
Farm products	121.2	120.0	118.6	117.7	102.0	+1.0	+3.0	+18.8
Foods	106.0	105.7	105.5	105.0	95.5	+0.3	+1.0	+11.0
Hides and leather products	118.4	118.4	118.4	118.4	116.3	0	0	+ 1.8
Textile products	96.8	96.8	96.8	96.8	94.9	0	0	+ 2.0
Fuel and lighting materials	80.7	80.5	80.4	80.1	78.4	+0.2	+.07	+ 2.9
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.7	0	0	+ 0.2
Building materials	110.0	110.0	110.1	110.1	109.9	0	—0.1	+ 0.1
Chemicals and allied products	100.3	100.3	100.0	99.5	97.1	0	+0.8	+ 3.3
Housefurnishing goods	104.1	104.1	104.1	104.1	104.1	0	0	0
Miscellaneous commodities	90.9	90.7	90.6	90.5	89.1	+0.2	+0.4	+ 2.0
Raw materials	110.6	109.8	108.9	108.3	97.4	+0.7	+2.1	+13.6
Semimanufactured articles	92.8	92.8	92.7	92.5	91.9	0	+0.3	+ 1.0
Manufactured products	*100.5	*100.5	*100.5	*100.3	97.4	0	+0.2	+ 3.2
All commodities other than farm products	*98.7	*98.6	*98.6	*98.4	95.6	+0.1	+0.3	+ 3.2
All commodities other than farm products and foods	*96.5	*96.4	*96.4	*96.3	95.0	+0.1	+0.2	+ 1.6

*Preliminary.

National Fertilizer Ass'n Price Index Higher

The steadily rising trend of wholesale commodity prices, which had been temporarily halted last week, continued to rise this week, according to the price index compiled by The National Fertilizer Association and made public March 8. In the week ended March 6 this index stood at 135.5% of the 1935-1939 average. It registered 134.8 in the preceding week, 134.0 a month ago, and 123.7 a year ago. The Association's report continued as follows:

The increase in the general level was due to higher prices for farm products, foods, and some industrial commodities. The principal price changes during the week occurred in the farm products index, with 12 items included in the group advancing and only 1 declining. Grain prices were 3.2% higher than in the preceding week and 6.4% higher than a month ago. An upturn in the food index was the result of higher prices for eggs, flour, and potatoes. News roll and cattle feed prices were higher, causing an advance in the miscellaneous commodities index. A fractional advance was also registered by the building materials index. The textile price index fell off, due to declines in raw cotton. The price of denatured alcohol was lower, resulting in a small decline in the chemicals and drugs index.

During the week 18 price series included in the index advanced and 2 declined; in the preceding week there were 11 advances and 5 declines; in the second preceding week there were 17 advances and 1 decline.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Mar. 6 1943	Preceding Week Feb. 27 1943	Month Ago Jan. 30 1943	Year Ago Mar. 7 1942
25.3	Foods	137.4	137.0	137.8	122.3
	Fats and Oils	148.1	148.1	148.5	136.0
	Cottonseed Oil	159.0	159.0	159.0	159.0
23.0	Farm Products	155.6	153.4	150.9	133.4
	Cotton	199.0	199.8	194.6	183.6
	Grains	141.9	137.5	133.4	119.2
	Livestock	152.2	149.8	148.1	126.8
17.3	Fuels	121.7	121.7	120.0	113.3
10.8	Miscellaneous commodities	130.4	129.7	129.0	127.1
8.2	Textiles	151.1	151.2	150.4	146.8
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.1	151.9	151.6	135.0
1.3	Chemicals and drugs	127.1	127.6	127.6	120.3
.3	Fertilizer materials	117.6	117.6	117.6	118.9
.3	Fertilizers	119.8	†119.8	†119.1	115.3
.3	Farm machinery	104.1	104.1	104.1	103.8
100.0	All groups combined	135.5	134.8	134.0	123.7

*Indexes on 1926-1928 base were March 6, 1943, 105.6; February 27, 105.0; March 7, 1942, 96.4. †Revised.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Mar. 6 a summary for the week ended Feb. 27 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended Feb. 27, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	22,403
Number of Shares	658,311
Dollar Value	20,682,965
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	147
*Customers' other sales	19,843
Customers' total sales	19,990
Number of Shares:	
Customers' short sales	4,748
*Customers' other sales	551,262
Customers' total sales	556,010
Dollar value	15,679,689
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	350
†Other sales	113,300
Total sales	113,650
Round-Lot Purchases by Dealers—	
Number of shares	201,990

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Urban Rebuilding Called Vital In Post-War Plans

Senator Claude Pepper of Florida on Feb. 10 advocated carefully laid plans for the large-scale rebuilding of deteriorated city areas as a measure of post-war economy in an interview with officers of the Urban Land Institute. "We need broad planning for the post-war period," said Senator Pepper, "and a workable method for clearing out blighted city areas and rebuilding them for useful purposes should be a vital integral part of our post-war planning."

Senator Pepper is the author of S. J. Res. 22 which would establish a joint committee of Congress to study unemployment, relief problems, industrial dislocation, and other problems in our economy, trade, and fiscal affairs arising out of the war emergency. Representatives of the Urban Land Institute, who are interested in the adoption of Senator Pepper's resolution, were told that a special sub-committee to review the problems of urban redevelopment could be properly established within the proposed joint committee of Congress.

The measure submitted by Senator Pepper is a reintroduction of the bill known as S. J, R. 131 which received a favorable committee report in the last session of Congress.

FDR Urges 40% Cut In Use Of Government Cars

President Roosevelt on March 1 called for a 40% cut in mileage of all Government cars. He directed the Federal departments and agencies to appoint "mileage administrators" to organize and control the use of motor vehicles in an effort to effect the mileage cut.

Prentiss M. Brown, Price Administrator, said that the President had asked him to supervise the conservation plan and to coordinate the work of the departmental administrators.

The President urged that mileage administrators receive authority to supervise the use of all vehicles in the Federal service.

Revenue Freight Car Loadings During Week Ended Feb. 27, 1943 Amounted To 782,855 Cars

Loading of revenue freight for the week ended Feb. 27, 1943, totaled 782,855 cars, the Association of American Railroads announced on March 4. This was an increase above the corresponding week of 1942, of 996 cars or 0.1%, and an increase above the same week in 1941, of 26,185 cars or 3.5%.

Loading of revenue freight for the week of Feb. 27, increased 30,406 cars or 4.0% above the preceding week.

Miscellaneous freight loading totaled 374,386 cars, an increase of 17,422 cars above the preceding week, and an increase of 18,997 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 93,767 cars, an increase of 3,459 cars above the preceding week, but a decrease of 49,775 cars below the corresponding week in 1942.

Coal loading amounted to 178,539 cars, an increase of 4,691 cars above the preceding week, and an increase of 16,057 cars above the corresponding week in 1942.

Grain and grain products loading totaled 50,651 cars, a decrease of 974 cars below the preceding week, but an increase of 13,300 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Feb. 27 totaled 34,843 cars, a decrease of 1,225 cars below the preceding week, but an increase of 11,162 cars above the corresponding week in 1942.

Livestock loading amounted to 12,399 cars, a decrease of 751 cars below the preceding week, but an increase of 1.929 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of Feb. 27, totaled 9.148 cars, a decrease of 567 cars below the preceding week, but an increase of 1,710 cars above the corresponding week in 1942.

Forest products loading totaled 43,230 cars, an increase of 2,070 cars above the preceding week, but a decrease of 2,099 cars below the corresponding week in 1942.

Ore loading amounted to 14,654 cars, an increase of 3.552 cars above the preceding week and an increase of 1,801 cars above the corresponding week in 1942.

Coke loading amounted to 15,229 cars, an increase of 937 cars above the preceding week, and an increase of 786 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas, Southern, Central Western and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
Week of Feb. 6	755,386	783,962	710,196
Week of Feb. 13	764,950	782,701	721,176
Week of Feb. 20	752,449	774,420	678,523
Week of Feb. 27	782,855	781,859	756,670
Total	6,586,489	6,981,421	6,320,974

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 27, 1943. During this period only 60 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED FEB 27

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	321	581	580	1,511	1,662
Bangor & Aroostock	2,396	2,115	1,907	186	212
Boston & Maine	6.711	7.711	8.312	16,187	15.458
Chicago, Indianapolis & Louisville	1,316	1,406	1,313	2,237	2,257
Central Indiana	49	33	12	69	56
Central Vermont	884	1,341	1,358	2,306	2,024
Delaware & Hudson	6.210	6,704	6,307	13,406	11,616
Delaware, Lackawanna & Western	7,500	8,805	9,502	12,125	8,983
Detroit & Mackinac	242	262	239	103	171
Detroit, Toledo & Ironton	1,898	2,164	3,318	2,376	1,743
Detroit & Toledo Shore Line	305	284	437	3,795	4,275
Erie	12,393	13,828	14,662	19,928	15,810
Grand Trunk Western	3,654	4,326	5,704	9,590	8,831
Lehigh & Hudson River	170	199	157	3,939	3,692
Lehigh & New England	1,983	1,741	1,745	1,610	1,703
Lehigh Valley	7,728	9.166	9.634	12,119	10.067
Maine Central	2,555	3.550	3,592	4,363	4,098
Monongahela	6,498	6,383	5,492	420	399
Montour	2,325	1.862	2,122	28	20
New York Central Lines	47,303	46.878	47.851	58.541	54.555
N. Y., N. H. & Hartford	10.157	11,988	11,985	19,916	18 388
New York, Ontario & Western	1,058	1,044	1,130	2,559	2,446
New York, Chicago & St. Louis	7,397	7,140	5,786	16,527	15,721
N. Y., Susquehanna & Western	417	479	498	2,885	1,351
Pittsburgh & Lake Erie	7,848	8,630	8,196	8,424	7,141
Pere Marquette	4,872	4,817	6,468	8,134	6,858
Pittsburg & Shawmut	704	595	650	13	32
Pittsburg, Shawmut & North	350	414	430	296	309
Pittsburgh & West Virginia	843	808	745	4,412	2,017
Rutland	312	494	592	1,022	1,138
Wabash	5,419	5,545	6,298	13,133	11,410
Wheeling & Lake Erie	5,181	4,751	4,324	6,401	4,148
Total	156,999	166,044	171,345	248,561	218,596
Allegheny District—					
Akron, Canton & Youngstown	751	699	603	1,234	1,081
Baltimore & Ohio	38,825	39,983	38,633	29,106	23,612
Bessemer & Lake Erie	3,114	3,159	3,085	1,292	1,614
Buffalo Creek & Gauley	333	311	297	3	5
Cambria & Indiana	1.936	1,971	1,963	13	17
Central R. R. of New Jersey	6,729	7,932	7,295	20,471	17,782
Cornwall	562	654	529	66	65
Cumberland & Pennsylvania	258	342	328	13	10
Ligonier Valley	99	125	174	38	43
Long Island	930	849	897	4,132	3,244
Penn-Reading Seashore Lines	1,665	1.647	1.264	2,599	2.123
Pennsylvania System	77.039	79,096	74.835	62.483	59.279
Reading Co.	13.654	16.232	16.507	30,852	25,939
Union (Pittsburgh)	20.687	21.470	19.339	4.671	3.636
Western Maryland	3,951	3.879	4,100	15,049	10.593
Total	170.533	178,349	169,849	172,022	149.043
Pocahontas District—					
Chesapeake & Ohio	30.597	24.269	24.585	11,154	10.557
Norfolk & Western	23,911	22.660	23.002	7.693	6.329
Virginian	5,143	4.207	4.821	2.037	2,249
Total	59,651	51,136	52,408	20,889	19,135
Southern District—					
Alabama, Tennessee & Northern	311	295	154	388	316
Atl. & W. P.—W. R. R. of Ala.	858	1,003	824	2,814	2,104
Atlanta, Birmingham & Coast	704	779	701	1,678	1,262
Atlantic Coast Line	15,780	13,376	10,970	11,667	8,427
Central of Georgia	4,297	4,515	4,146	4,583	3,753
Charleston & Western Carolina	489	385	403	1,793	1,901
Clinchfield	1,785	1,571	1,593	3,142	2,740
Columbus & Greenville	333	265	225	237	288
Durham & Southern	124	169	170	678	402
Florida East Coast	3,604	2,205	1,019	1,622	1,014
Gainesville Midland	47	48	36	139	150
Georgia	1,655	1,484	1,014	3,217	2,250
Georgia & Florida	499	454	367	653	697
Gulf, Mobile & Ohio	4,034	4,164	3.602	5,465	3,179
Illinois Central System	27,742	28,341	23,490	19,196	14,809
Louisville & Nashville	26,336	25,413	25,331	11,950	9,151
Macon, Dublin & Savannah	191	209	130	952	725
Mississippi Central	235	262	171	497	506
Nashville, Chattanooga & St. L.	3,107	3,467	3,077	5,139	3,639
Norfolk Southern	1,296	1,148	1,049	1,874	1,293
Piedmont Northern	359	498	433	1,165	1,382
Richmond, Fred. & Potomac	469	421	368	10,806	9,450
Seaboard Air Line	10,840	10,061	11,293	9,882	7,164
Southern System	23.225	24,675	24,362	25,810	21,681
Tennessee Central	506	565	541	891	836
Winston-Salem Southbound	99	138	134	969	898
Total	128,925	125,911	115,703	127,207	100,017
Northwestern District—					
Chicago & North Western	15,186	17,335	16,723	13,254	13,559
Chicago Great Western	2,278	2,604	2,486	3,331	3,310
Chicago, Milw., St. P. & Pac.	17,618	19,410	21,294	9,074	8,266
Chicago, St. Paul, Minn. & Omaha	3,477	4,217	4,056	3,951	4,117
Duluth, Missabe & Iron Range	1,374	1,350	861	302	514
Duluth, South Shore & Atlantic	572	716	690	511	553
Elgin, Joliet & Eastern	9,263	9,869	7,679	10,360	10.384
Ft. Dodge, Des Moines & South	417	526	383	108	138
Great Northern	10,667	11,223	11,090	4,430	4,467
Green Bay & Western	473	638	508	*886	966
Lake Superior & Ishpeming	227	322	244	78	64
Minneapolis & St. Louis	1,924	1,907	1,708	2,413	2.338
Minn., St. Paul & S. S. M.	4,521	5.392	5,756	3.081	3,629
Northern Pacific	9,239	9,832	10,798	5,095	4,688
Spokane International	88	82	105	605	323
Spokane, Portland & Seattle	1,836	2.611	2,403	3,309	2,453
Total	79,160	88,034	86,784	60,788	59,769
Central Western District—					
Atch., Top. & Santa Fe System	21,801	20,981	17,599	12,745	8,125
Alton	2,975	3,468	3,259	4,621	3,210
Bingham & Garfield	648	506	443	93	103
Chicago, Burlington & Quincy	18,565	16.027	17,723	12,365	10,773
Chicago & Illinois Midland	3,105	2,950	2,625	1,009	848
Chicago, Rock Island & Pacific	12,684	10,422	11,017	15,273	10,475
Chicago & Eastern Illinois	2,401	2,882	3,050	5,398	2,997
Colorado & Southern	756	804	746	1,907	1,682
Denver & Rio Grande Western	3,105	2,589	2,749	6,548	3,461
Denver & Salt Lake	951	644	640	6	6
Fort Worth & Denver City	810	828	697	878	877
Illinois Terminal	1,745	2,027	1,793	1,632	1,747
Missouri-Illinois	907	1,288	939	527	779
Nevada Northern	2,144	1,993	1,961	107	149
North Western Pacific	832	880	606	654	449
Peoria & Pekin Union	16	30	10	0	0
Southern Pacific (Pacific)	25,942	25,744	23,691	13,173	8,514
Toledo, Peoria & Western	312	309	450	1,679	1,077
Union Pacific System	13,407	14,504	13,949	14,501	10,572
Utah	579	556	356	3	4
Western Pacific	1,656	1,452	1,667	3,503	2,693
Total	115,341	110,884	105,970	96,622	68,541
Southwestern District—					
Burlington-Rock Island	649	173	120	219	299
Gulf Coast Lines	6,754	4,990	3,229	2,562	2,614
International-Great Northern	2,176	2,157	1,688	3,346	2,771
Kansas, Oklahoma & Gulf	333	275	223	1,321	1,101
Kansas City Southern	4,948	3,572	2,417	3,112	2,740
Louisiana & Arkansas	3.761	2,435	2,412	2.725	2,505
Litchfield & Madison	352	387	348	1,029	1,124
Midland Valley	667	658	634	371	253
Missouri & Arkansas	165	201	133	434	384
Missouri-Kansas-Texas Lines	6,353	4,897	4,479	5,969	3,990
Missouri Pacific	16,869	16,617	16,639	18,691	14,408
Quanah Acme & Pacific	76	131	67	350	297
St. Louis-San Francisco	8,626	8,038	7,964	8,429	6,826
St. Louis Southwestern	3.302	3,727	2,573	5.420	4,999
Texas & New Orleans	12,136	8,480	7,261	5,731	4,668
Texas & Pacific	4,958	4,609	4,280	7,025	6,929
Wichita Falls & Southern	91	123	132	31	39
Weatherford M. W. & N. W.	30	31	12	22	35
Total	72,246	61,501	54,611	66,787	55,982

*Previous week's figures.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
1942—Week Ended—				Current	Cumulative
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,734	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

they have fixed them up in such a way that nobody else could get at the key to them. It reminds your correspondent of a research artist the Republican National Committee once had. He blackjacked and manhandled the Republicans for years because he carried the card index to his files, so to speak, around in his head. No successor could have gone into the office and found anything.

In his predicament Brown seems to have resorted to a desperate measure. He has announced that he will not ask for deferment of any man connected with the OPA. Apparently he is hopeful the draft boards will come in and get them—but one by one.

* * *

The appointment of lame-duck Kansas Congressman Houston to the National Labor Relations Board is quite a significant development and apparently in line with Jimmy Byrnes' efforts to wrest the Government from New Dealers and back into the hands of the Democratic Party. Houston is not likely to go along with the policy of the Board in advancing the CIO against the AFL. One of his first acts, if he is confirmed, will likely be to get the Board off the neck of Henry Kaiser, who went all the way in an effort to deal with organized labor and signed closed shop contracts with the AFL only to have the Board challenging him as an "unfair labor" practicer at this late date.

If the Board withdraws its one-sided support of the CIO that organization is likely to dissipate into thin air. Certainly there will be more possibility of bringing the AFL and the CIO together into one organization and thus ending the dual labor movement which is creating an utterly impossible situation for employers. The Chairman of the Board, aging Dean Millis, is said to want to retire; indeed, to have already submitted his resignation, thus making possible the appointment of another more practical man to the Board.

Some Republican cries are going up against the appointment of lame ducks to these jobs, but I have repeated that these men are practical politicians and will bring the Bureaucracy closer to the people. Taking care of lame ducks was a luxury which the country easily afforded in the old days. After its experience with the Intellectuals I imagine it will be glad to afford this luxury again. After all, ours is a rich nation.

* * *

Squawks are beginning to arise among Republicans against Barney Baruch's slow, determined and apparently successful push into the picture. Day after day he sits out in the park near his hotel and if you stop to gossip, he will readily tell you of how extensive is his influence. And there has very seldom been a day when there was not some reference in the newspapers to the likelihood of his being called in to help the Government out of a precarious situation. In the meantime, he has succeeded in planting what are known as Baruch men in key subordinate places around town. The cumulative effect of Barney's park bench gossip, the publicity and the consequent placing of his men around town, seems to have finally gotten him a place on what is being referred to as the unofficial kitchen cabinet. It is a fact that Jimmy Byrnes has always liked him. Indeed, the Southern Democrats have long looked upon Barney as sort of a patron saint, a man they could go to when in financial trouble, or anything of the sort. The real story of Barney is to my mind one of the most interesting episodes of our times.

Items About Banks, Trust Companies

The Fiduciary Trust Co. of New York, 1 Wall Street, has received authorization from the State Banking Department to reduce the par value of its shares from $100 each to $10 and to increase the number of its shares from 10,000 to 100,000.

William R. White, Vice-President of the Guaranty Trust Co. of New York and former New York State Superintendent of Banks, was elected a trustee of the Bowery Savings Bank, New York City, on March 8.

The Quarter Century Club of the National City Bank of New York held its annual dinner at the Hotel Astor on March 8, with Gordon S. Rentschler, Chairman of the Board, presiding. Speakers at the dinner besides Mr. Rentschler were W. Randolph Burgess, Vice-Chairman of the Board, and Lindsay Bradford, President of the City Bank Farmers Trust Co. William Gage Brady Jr., President of the bank, was unable to be present, as he is away on a Western business trip. There were 159 new members initiated into the Quarter Century Club at the dinner, the previous enrollment having been 620. Membership comes from the bank, the City Bank Farmers Trust Co., and all domestic and foreign branches. Included in the invitation list for the dinner was Mrs. Bridget Burke, who is 95 years old and the oldest pensioner on National City's list. Mrs. Burke entered the organization's employ in 1882 and retired in 1921. Her son, Thomas Burke, 68 years old, was employed by the bank in 1909 and retired in 1930.

The Seamen's Bank for Savings in the City of New York recently opened its new branch office at 20 East 45th St. for the convenience of old customers who have transferred their activities uptown and also designed to attract new depositors. The Seamen's is the second oldest savings bank in Manhattan, with resources of over $160,000,000 and more than 135,000 depositors. The bank's principal office is at 74 Wall St. The State Banking Department's authorization for the opening of this branch was noted in these columns Jan. 7, page 67.

The Irving Trust Co. of New York made known on March 3 that the War Department has announced the death in North Africa, on Jan. 11, of Major William H. Roodenburg, of 67 Park Terrace East, New York. Major Roodenburg entered the Irving Trust Co. in 1926, and when called to active service was an Assistant Trust Administrator. According to the trust company, from a letter written by a friend in the service, it is understood that he was killed when an aviation ground force under his command was attacked by enemy planes in Tunisia. Major Roodenburg, who was 36 years old, was a First Lieutenant in the Officers Reserve Corps until 1940, when he became Captain. He was called to active duty June 30, 1941, and assigned to the Army Air Force base at Mitchell Field, L. I., until he was transferred overseas last fall. Born in New York City, Major Roodenburg attended Townsend Harris High School and City College, from which he was graduated with the degree of Bachelor of Science in 1926. Two years later he received the degree of Master of Business Administration from City College.

George A. Easley has been elected President of the National Iron Bank of Morristown, N. J., succeeding the late John Y. Robbins, Elmer King, Chairman of the Board, announces. He has been a member of the Board since 1930.

Frank W. Worth, Vice-President of the Ambler Trust Co., Ambler, Pa., since its founding in 1917, died on March 7 at his home in Prospectville, Pa. Mr. Worth, who was one of the organizers of the banking institution, was also Treasurer of the Community Building and Loan Association of Ambler.

Leo Reap, Chairman of the Board of the Miners Savings Bank of Pittston (Pa.) and former President of the Northern Anthracite Bankers Association, died on March 6 at his home in Pittston. Mr. Reap, who was 59 years old, had been associated with the bank since 1902 and had served as President from 1935 until 1941.

N. W. Chisholm has been appointed a London manager of the National Bank of India, Ltd., according to London advices received by us under date of Feb. 16.

Total resources of Lloyds Bank, Ltd., London, at the close of 1942 are reported at £695,385,809, compared with £629,723,889 at the end of 1941, according to figures appearing in the annual report. The bank's deposits are £646,172,783, against £581,314,405 at the close of 1941. Cash in hand and with Bank of England was listed at £69,203,956, compared with £65,143,045; bills discounted total £47,252,710, against £31,419,243; Treasury deposit receipts are £155,000,000, compared with £140,500,000; investments, £193,602,648, against £163,071,278, and loans and advances to customers £120,201,230, compared with £128,539,433. The bank's net profit for the year 1942 was reported at £1,364,082, as compared with £1,274,199 in 1941. The bank's representative in the United States is J. H. Fea, 34 Wall St., New York City.

Suspend FDIC Levy On War Bond Bank Cash

The Senate passed on March 2 the bill suspending, for the duration of the war and for six months thereafter, the provisions of the law requiring the payment of assessments to the Federal Deposit Insurance Corp. by insured banks on bank balances of the U. S. Treasury derived from the sale of war bonds. The measure, which now goes to the House, also suspends maintenance with Federal Reserve banks of reserves by National and State member banks of the Federal Reserve System against these deposits.

Identical measures were introduced in the House on Feb. 4 by Representative Steagall (Dem., Ala.), Chairman of the House Committee on Banking and Currency, and in the Senate on Feb. 11 by Senator Wagner (Dem., N. Y.), Chairman of the Senate Banking and Currency Committee.

In a statement explaining the bill on Feb. 11, Senator Wagner said:

"Approximately 40% of all Government securities are held by the banking system and in the December Treasury financing, when $12,000,000,000 of securities were sold, approximately 42%, or $5,000,000,000 were sold to the banks, exclusive of the amount sold to the public through the medium of the banks. A large portion of the proceeds derived from the sale of these securities are carried in the banking system to the so-called war-loan accounts to the credit of the Treasury pending disbursement by the Government. The banks have been required to pay the usual assessment to the Federal Deposit Insurance Corp. of 1/12 of 1% per annum on these balances in the same manner as on all other deposits which they carry, although the Treasury balances, because of the heavy demands of the war, remain in the banks to the credit of the Government for a relatively short time only."

The recent endorsement of the bill by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, and Leo T. Crowley, Chairman of the FDIC, before the Senate Banking and Currency Committee, was noted in our March 4 issue, page 843.

ABA Protests Revival Of Farm Credit Corp. As Harmful To Banks And War Bond Sales

Resurrection of the Regional Agricultural Credit Corporation by the Department of Agriculture as an additional credit agency to compete with country banks in the field of farm credit was vigorously opposed by the American Bankers Association at a hearing held in Washington on Feb. 17, by the Congressional Joint Committee on Reduction of Non-Essential Federal Expenditures, of which Senator Harry F. Byrd of Virginia is Chairman.

The appearance of A. B. A. representatives supplemented previous protests lodged with the Secretary of Agriculture and the Secretary of the Treasury. It is pointed out that the plan under which the Regional Agricultural Credit Corporation has been reestablished provides for the lending of $225,000,000 to farmers for crop production and, among other things, for the making of loans to be directed by the county war boards and the provision for nonrecourse loans on certain crops.

Prior to the hearing many efforts were made to secure abandonment of this RACC plan. In addition, W. L. Hemingway, President of the A. B. A., and A. L. M. Wiggins, Chairman of the Association's Committee on Federal Legislation, protested the program in various departments of the Government, including the Treasury, and Mr. Hemingway lodged a formal protest with the Secretary of Agriculture, which was referred to in these columns Feb. 18, page 672.

At a preliminary hearing of the Byrd Committee, testimony was given by C. W. Bailey, Chairman of the A. B. A. Food for Freedom Committee, who is President of the First National Bank, Clarksville, Tenn., and by Harold Stonier, Executive Manager of the Association.

Witnesses who testified at the hearing on behalf of the A. B. A., in addition to Messrs. Hemingway and Wiggins were: I. R. Alter, Executive Vice-President of the First National Bank, Grand Island, Neb.; John H. Crocker, Vice-President of the Citizens National Bank, Decatur, Ill.; C. D. Haskell, farmer of Laurel, Neb., and member of the Nebraska Taxpayers' League; Paul H. Huston, Vice-President of the Peoples Savings Bank, Cedar Rapids, Iowa; Ralph W. Moore, representative of the Commissioner of Agriculture of Texas; Charles T. O'Neill, Vice-President, National Bank and Trust Co., Charlottesville, Va., and member of the A. B. A. Agricultural Commission and Food for Freedom Committee; and L. M. Walker, Commissioner of Agriculture of Virginia.

All of the witnesses agreed, it is noted, that ample credit is available to farmers for production and that there is no need whatever for the revival of the RACC as an additional agency to provide more credit. All also agreed that the bottlenecks in agricultural production arise not out of any lack of credit, but out of the lack of farm labor and the inability of farmers to get needed equipment and parts for equipment.

In his opening statement of the A. B. A.'s case, Mr. Wiggins stated the RACC is being "perverted from its original purpose," that the program contemplated "is unsound," a "further drain on Government funds that are vitally needed for the war effort," that it is "against the interest of the farmers who are really producing the nation's food supply," and that it will produce confusion if not havoc in the production credit field. He said a great many Government subsidized loans are made on a basis of risk and anticipated loss of capital, which is made up out of the taxpayers' money at rates of interest artificially reduced by virtue of the subsidy.

Mr. Hemingway read to the Committee the declaration of A. B. A. policy with respect to socialized and subsidized credit. He outlined the various war services being performed by banks and told particularly of the help being given to the Treasury Department to make its war financing plans a success. He stated that while the December financing was successful, the distribution of Government securities was not as wide as might be desired, and added that plans are now in the making to reach two groups—war workers and farmers, who were not reached satisfactorily the last time. In his statement he said:

"You can imagine our surprise, as we were engaged in this program of developing the interest of the country banks more widely to learn of the revival of the RACC. It is putting it mildly to say it threw a bombshell into our camp. The country bankers have felt that they were supporting their Government in every way possible, and it was shocking to them that their Government through one department was asking them to go out and sell bonds through which to obtain money which another department would lend to their customers in competition with them. We have discussed this matter with the Secretary of the Treasury and have told him that we think it will have a bad effect on the forthcoming April drive for the sale of bonds."

At this point Senator Walter F. George broke in to observe that, "if I were the Secretary of the Treasury I would be profoundly concerned for this very move is one of the most effective ways to torpedo the big financing operation that lies just ahead of the Government."

In his closing statement, Mr. Wiggins made a plea for the preservation of the small country banks, saying:

"They are being harassed on every side by the competition of direct lending agencies of the Government largely in the field of agriculture, and I plead with you for your help in keeping those country banks from passing out of our picture. The country bank has been the foundation stone of the rural small towns and villages, and more than any other institution in our communities is responsible for the development of these small towns and cities. As I see it, the revival of the RACC merely adds another layer on the crazy quilt structure of Government lending agencies. Mr. Chairman, we are not only for the abandonment of this ill-conceived rebirth and unnecessarily expensive experiment that will serve no useful purpose, but we also express the hope that this will be the beginning of the abandonment of many other governmental ventures that have proved costly in financial outlay and destructive to the efforts of private citizens to maintain a solvent private economy in this nation."

Point-Rationing Plan For Restaurants

The Office of Price Administration announced on Feb. 24 that the program for rationing of processed foods to commercial eating establishments will be designed to restrict restaurant patron's consumption to approximately the same basis that the individual is restricted at home.

The restriction, it is stated, cuts the amount of processed foods that such eating establishments will receive on the basis of the amount used and the number of persons served during December, 1942. The first ration period will cover March and April instead of the single month of March, as in the case of home consumers. Restaurants, hotels, and other eating places will register during the first 10 days of March at local war-price and rationing boards.

From Washington advices to the New York "Journal of Commerce" the following is taken:

Their allotments of processed foods will be based on a maximum allowance of 6-10 of a ration point for each person served during the month of December, 1942. This compares with slightly over half of a ration point per meal in the case of individual holders of War Ration Book Two. The difference allows for the fact that restaurant owners cannot calculate with the same accuracy as a housewife the amount of various foodstuffs they will be required to use each meal.

As an overall ceiling—and one that will only be reached by refreshment stands and other comparatively small users of processed foods—the regulations provide that in no event may an institutional user's allotment exceed 80% of the amount of processed foods used during December, 1942.

Institutional registration also involves a new basis for allotment of coffee and sugar. Under this basis, institutional users will be given a maximum allowance for the first two-month ration period of .03-pound of sugar and 0.13-pound of coffee per person served in December, 1942.

The new basis will mean a reduction in coffee and sugar allotments in most cases.

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